Grupo Nutresa S.A.

Condensed Consolidated Interim Financial Statements at March 31, 2019

(Unaudited Information)

UN FUTURO
ENTRE TODOS

Consolidated Statement of Financial Position

At March 31, 2019 and December 31, 2018 (Values expressed in millions of Colombian Pesos)
(Unaudited information)

	Notes	March 2019	December 2018
ASSETS			
Current assets			
Cash and cash equivalents		$ 290,833	$ 347,520
Trade and other receivables	6	1,088,410	1,020,579
Inventories		1,152,833	1,109,878
Biological assets	7	85,337	94,569
Other current assets		259,405	241,726
Non-current assets held for sale		6,695	6,777
Total current assets		**$ 2,883,513**	**$ 2,821,049**
Non-current assets			
Trade and other receivables, net	6	26,197	28,065
Investments in associates and joint ventures	8	193,085	192,795
Other financial non-current assets	9	3,682,549	3,322,694
Property, plant and equipment, net	10	3,334,889	3,376,364
Right-of-use assets	11	911,015	0
Investment properties		76,974	77,062
Goodwill	12	2,085,257	2,085,908
Other intangible assets		1,168,448	1,167,536
Deferred tax assets	13.4	589,304	379,753
Other non-current assets		73,785	72,471
Total non-current assets		**$ 12,141,503**	**$ 10,702,648**
TOTAL ASSETS		**$ 15,025,016**	**$ 13,523,697**
LIABILITIES			
Current liabilities			
Financial obligations	14	557,006	522,302
Trade and other payables	16	1,147,187	1,094,960
Income tax and taxes, payable	13.2	186,532	228,841
Employee benefits liabilities	17	159,605	165,833
Current provisions	18	4,149	4,118
Other current liabilities		16,056	26,676
Total current liabilities		**$ 2,070,535**	**$ 2,042,730**
Non-current liabilities			
Financial obligations	14	2,371,920	2,265,743
Right-of-use liabilities	15	911,359	0
Trade and other payables	16	158	158
Employee benefits liabilities	17	176,068	175,036
Deferred tax liabilities	13.4	914,360	704,763
Non-current provisions	18	5,901	0
Other non-current liabilities		514	536
Total non-current liabilities		**$ 4,380,280**	**$ 3,146,236**
TOTAL LIABILITIES		**$ 6,450,815**	**$ 5,188,966**
EQUITY			
Share capital issued		2,301	2,301
Paid-in-capital		546,832	546,832
Reserves and retained earnings		3,802,860	3,552,827
Other comprehensive income, accumulated		4,004,336	3,683,175
Earnings for the period		174,437	505,308
Equity attributable to the controlling interest		**$ 8,530,766**	**$ 8,290,443**
Non-controlling interest		43,435	44,288
TOTAL EQUITY		**$ 8,574,201**	**$ 8,334,731**
TOTAL LIABILITIES AND EQUITY		**$ 15,025,016**	**$ 13,523,697**

The Notes are an integral part of the Condensed Consolidated Interim Financial Statements.

Carlos Ignacio Gallego Palacio
President

Jaime León Montoya Vásquez
General Accountant
Professional Card No. 45056-T

Juber Ernesto Carrión
External Auditor – Professional Card No. 86122-T
Designed by PwC Contadores y Auditores Ltda.

Consolidated Comprehensive Income Statement

From January 1st to March 31st (Values expressed in millions of Colombian Pesos)
(Unaudited information)

	Notes	January-March 2019	January-March 2018
Continuing operations			
Operating revenue	5.1	$ 2,245,742	$ 2,104,345
Cost of goods sold	20	(1,253,514)	(1,168,715)
Gross profit		$ 992,228	$ 935,630
Administrative expenses	20	(104,388)	(99,417)
Sales expenses	20	(625,569)	(607,913)
Production expenses	20	(33,782)	(33,212)
Exchange differences on operating assets and liabilities	22.2	3,810	1,952
Other operating (expenses) income, net	21	(2,136)	4,942
Operating profit		$ 230,163	$ 201,982
Financial income		3,427	3,241
Financial expenses	14.7	(72,588)	(71,961)
Portfolio dividends	9	61,493	32,336
Exchange differences on non-operating assets and liabilities	22.2	702	(2,666)
Share of profit of associates and joint ventures	8	(377)	(2,327)
Income before tax and non-controlling interest		$ 222,820	$ 160,605
Current income tax	13.3	(43,888)	(44,069)
Deferred income tax	13.3	(2,661)	5,479
Profit after taxes from continuing operations		$ 176,271	$ 122,015
Discontinued operations, after income tax		(842)	(226)
Net profit for the period		$ 175,429	$ 121,789
Profit for the period attributable to:			
Controlling interest		$ 174,437	$ 120,867
Non-controlling interest		992	922
Net profit for the period		$ 175,429	$ 121,789
Earnings per share (*)			
Basic, attributable to controlling interest (in Colombian pesos)		**379.11**	**262.68**
*(*) Calculated on 460.123.458 shares, which have not been modified during the period covered by these Financial Statements.*			
OTHER COMPREHENSIVE INCOME			
Items that are not subsequently reclassified to profit and loss:			
Actuarial gains on defined benefit plans		$ (731)	$ (205)
Equity instruments, measured at fair value	9	371,735	(411,900)
Income tax from items that will not be reclassified		236	15
Total items that are not subsequently reclassified to profit and loss		$ 371,240	$ (412,090)
Items that are or may be subsequently reclassified to profit and loss:		-	-
Share of other comprehensive income of associate and joint ventures	8	(1,433)	(815)
Exchange differences on translation of foreign operations	22.1	(19,208)	(175,764)
Cash flow hedges		(4,961)	(45)
Income tax from items that will be reclassified		2,067	(1,055)
Total items that are or may be subsequently reclassified to profit and loss:		$ (23,535)	$ (177,679)
Other comprehensive income, net taxes		$ 347,705	$ (589,769)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		$ 523,134	$ (467,980)
Total comprehensive income attributable to:			
Controlling interest		522,347	(466,722)
Non-controlling interest		787	(1,258)
Total comprehensive income		$ 523,134	$ (467,980)

The Notes are an integral part of the Condensed Consolidated Interim Financial Statements.

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Consolidated Change in Equity Statement

From January 1st to March 31st (Values expressed in millions of Colombian Pesos)
(Unaudited information)

	Share capital issued	Paid-in-capital	Reserves and retained earnings	Earnings for the period	Other comprehensive income, accumulated	Total equity attributable to the controlling interest	Non-controlling interest	Total
Equity at December 31, 2019	**2,301**	**546,832**	**3,552,827**	**505,308**	**3,683,175**	**8,290,443**	**44,288**	**8,334,731**
Profit for the period	-	-	-	174,437	-	174,437	992	175,429
Other comprehensive income for the period	-	-	-	-	347,910	347,910	(205)	347,705
Comprehensive income for the period	**-**	**-**	**-**	**174,437**	**347,910**	**522,347**	**787**	**523,134**
Transfer to accumulated results	-	-	505,308	(505,308)	-	-	-	-
Cash dividends (Note 19)	-	-	(281,596)	-	-	(281,596)	(1,641)	(283,237)
Reclassification	-	-	26,748	-	(26,748)	-	-	-
Other equity movements	-	-	(427)	-	(1)	(428)	1	(427)
Equity at March 31, 2019	**2,301**	**546,832**	**3,802,860**	**174,437**	**4,004,336**	**8,530,766**	**43,435**	**8,574,201**
Equity at December 31 2018	**2,301**	**546,832**	**3,396,462**	**420,207**	**4,541,854**	**8,907,656**	**42,525**	**8,950,181**
Profit for the period	-	-	-	120,867	-	120,867	922	121,789
Other comprehensive income for the period	-	-	-	-	(587,589)	(587,589)	(2,180)	(589,769)
Comprehensive income for the period	**-**	**-**	**-**	**120,867**	**(587,589)**	**(466,722)**	**(1,258)**	**(467,980)**
Transfer to accumulated results	-	-	420,207	(420,207)	-	-	-	-
Cash dividends (Note 19)	-	-	(260,614)	-	-	(260,614)	(1,363)	(261,977)
Other equity movements	-	-	(1)	-	-	(1)	(14)	(15)
Equity at March 31, 2018	**2,301**	**546,832**	**3,556,054**	**120,867**	**3,954,265**	**8,180,319**	**39,890**	**8,220,209**

The Notes are an integral part of the Condensed Consolidated Interim Financial Statements.

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Consolidated Cash flows Statement

From January 1st to March 31st (Values expressed in millions of Colombian Pesos)
(Unaudited information)

	January-March 2019	January-March 2018
Cash flows from operating activities		
Collection from sales of goods and services	$ 2,202,425	$ 2,088,208
Payments to suppliers for goods and services	(1,712,679)	(1,667,111)
Payments to and on behalf of employees	(413,961)	(397,682)
Income taxes and tax on wealth, paid	(28,735)	(3,832)
Other cash outflows	(79,714)	(70,693)
Net cash flow used in operating activities	**$ (32,664)**	**$ (51,110)**
Cash flow from investment activities		
Purchase/sale of other equity instruments	11,880	-
Purchases of equity of associates and joint ventures (Note 8)	(2,100)	-
Purchases of property, plant and equipment (Note 10)	(30,646)	(26,186)
Amounts from the sale of productive assets	171	8,142
Purchase of Intangibles and other productive assets	(5,706)	(4,735)
Investment/divestment in assets held for sale, net	-	7
Dividends received (Note 9)	14,498	7,310
Interest received	2,266	2,232
Other cash outflows	(2)	-
Net cash flow used in investment activities	**$ (9,639)**	**$ (13,230)**
Cash flow from financing activities		
Proceeds from loans	136,993	60,735
Dividends paid (Note 19)	(65,648)	(61,595)
Interest paid	(42,733)	(53,367)
Leases paid (Note 15)	(37,022)	-
Fees and other financial expenses	(9,155)	(8,438)
Other cash inflows	6,737	7,794
Net cash flow used in financing activities	**$ (10,828)**	**$ (54,871)**
Decrease in cash and cash equivalent from activities	**$ (53,131)**	**$ (119,211)**
Cash flow from discontinued operations	(696)	66
Net foreign exchange differences	(2,860)	(15,269)
Net decrease in cash and cash equivalents	**(56,687)**	**(134,414)**
Cash and cash equivalents at the beginning of the period	347,520	435,643
Cash and cash equivalents at the end of the period	**$ 290,833**	**$ 301,229**

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A MESSAGE FROM THE 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 COP 8,7 billion (2017), within 8 Business Units: Cold Cuts, Biscuits, Chocolate, Tresmontes Lucchetti (TMLUC), Coffee, Retail Foods, Ice Cream, and Pasta. Grupo Nutresa is a diversified company in terms of geographical reach, products, and supplying; with direct presence in 14 countries and international sales in 75 countries.

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

The differentiation of our unique business model:

- Our People: Human talent is one of our most valuable assets. The cultural platform is supported by the promotion of participatory environments, development of the competences of being and achieving, recognition, the building of a leading brand, as well as, a balanced life for our people.

- Our Brands: Our Brands are leaders in the markets in which we participate, and are recognized, beloved, and are part of people's daily lives. They are nutritional and reliable products, with high value, at affordable prices.

- Our Distribution Network: Our extensive distribution network, differentiated by channels and segments, and with teams of specialized staff, allows us to have our products at an adequate availability, affording us a close relationship with our clients.

Our strategic goals, for 2020, are:

- To act with integrity
- To promote a healthy lifestyle
- To build a better society
- To foster profitable growth and effective innovation
- To manage the value chain responsibly
- To reduce the environmental impact of our operations and products

The principal risks in our business model, and mitigating factors, are as follows:

Principal risks	Mitigating Factors
Volatility of the prices of raw materials	– Coverage policies, with clearly defined risk levels, aligned with market changes and managed by a specialized committee – A highly trained team dedicated to the monitoring and negotiating supplies. – Constant search for new opportunities and models for efficient and competitive raw materials sourcing, on a worldwide scale – Raw materials diversification
Impact on the business, due to a highly competitive environment	– Brands and Networks Management Model, based on the deep and integrated understanding of the market: consumers, buyers, and customers – Leading brands, which are well recognized and appreciated – Wide distribution network, with differentiated and specialized value propositions, for each customer segment – Attractive propositions, with an excellent price-value ratio – High-value innovation and portfolio differentiation – Profitable market development – Identification of opportunities, based on cultural changes
Regulations on nutrition and health, in countries where we have a presence	– Monitoring the Organization's environment, in order to study the nutrition and health situation, of the strategic region. Anticipating the needs of communities to offer improvement alternatives, for malnutrition situations. Learning about the regulatory processes and participating in their defining them – Compliance with applicable standards and preparation for those that are being developed – Application of the nutrition policy defined by Grupo Nutresa – Development of health and nutrition research, in order to improve the quality of life of the population through innovative food proposals – Support of and participation in, programs that promote healthy lifestyles – Vidarium: center for research on nutrition

Management of monitoring indicators

Grupo Nutresa assesses the management of sustainability on economic, social, and environmental dimensions; to measure the management in the economic dimension, indicators, such as, total sales, international sales, sales in Colombia, and EBITDA, are used.

For Grupo Nutresa, EBITDA (Earnings before Interest, Taxes, Depreciation, and Amortization), is calculated by eliminating depreciation charges, amortization, and unrealized gains or losses from exchange differences in operating assets and liabilities, from the operating income.

It is considered that EBITDA is most significant for investors, because it provides an analysis of operating results, as well as, segment profitability, using the same measurement, that is used by management. Likewise, EBITDA allows a comparison of the results, or benchmarks with other companies in the same industry and market. EBITDA is used to track the evolvement of the business and establish operating and strategic objectives. EBITDA is commonly reported and widely used amongst analysts, investors, as well as, other stakeholders, interested in the industry. EBITDA is not a measurement, explicitly defined as such, 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, nor as an alternative to cash flows from operating activities, such as the measurement of liquidity.

The following table is a breakdown of details the reconciliation between the EBITDA and the operating income of Grupo Nutresa, for the period covered by these Financial Statements:

	First Quarter	
	2019	**2018**
Operating earnings	**230,163**	**201,982**
Depreciation and amortization (Note 18)	63,788	71,937
Right-of-use depreciation	27,680	-
Unrealized exchange differences from operating assets and liabilities (Note 22.2)	(1,513)	(643)
EBITDA *(See details by segment in Note 5.2)*	**320,118**	**273,276**

Table 1

Management of Capital

The generation of value growth is a fundamental part of the strategic objectives, set by the Group. This translates into the active management of the capital structure, and the return on investment, which balances the sustained growth of current operations, the development of business plans for investments, and growth through business acquisitions, underway.

In every one of the investments, the goal is to seek a return that exceeds the cost of the capital (WACC). The administration periodically evaluates the return on the invested capital of its businesses, and projects this, to verify that they are in line with the value generation strategy.

Similarly, for each investment, the various sources of funding, both internal and external, are analyzed, to secure a suitable profile, for the duration of that specific investment, as well as, cost optimization. In accordance with a moderate financial risk profile, the capital structure, of the Group, aims towards obtaining the highest credit ratings.

Notes for the Condensed Consolidated Interim Financial Statements

For the period between January 1st and December 31st of 2018 and 2017

(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 the Parent Company and subsidiaries

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 stock company, of Colombian nationality, incorporated on April 12, 1920, with its headquarters in the City of Medellin, Colombia, and whose terms expire, on April 12, 2050. The Corporate Business Purpose consists of the investment, or application of available resources, in organized enterprises, under any of the forms permitted by law, whether domestic or foreign, and aimed at the use of any legal economic activity, either tangible or intangible assets, with the purpose of safeguarding its capital.

Below is information of subsidiaries: Name, Main Activity, Principle Domicile, Functional Currency, and Percentage of Shares, held by Grupo Nutresa:

Entity	Main Activity	Functional Currency (1)	% Participation 2019	% Participation 2018
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 sales 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%
Inverlogy S.A. S. (before 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.	Sales 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 sales 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.	Production, processing and sales of mushrooms	COP	99.50%	99.50%
Gestión Cargo Zona Franca S.A.S.	Provision of logistics services	COP	100.00%	100.00%
Comercial Nutresa S.A.S.	Sales of food products	COP	100.00%	100.00%
Industrias Aliadas S.A.S.	Provision of services related to coffee	COP	100.00%	100.00%
Opperar 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 S.A.S - Industria de Restaurantes Casuales S.A. S. (3)	Production of foods and operation of food establishments providing to the consumer	COP	100.00%	100.00%
LYC S.A.S.	Production of foods and operation of food establishments providing to the consumer	COP	100.00%	100.00%
PJ COL S.A.S.	Production of foods and operation of food establishments providing to the consumer	COP	100.00%	100.00%
New Brands S.A.	Production of dairy and ice cream	COP	100.00%	100.00%
Schadel Ltda. Schalin Del Vecchio Ltda.	Production of foods and operation of food establishments providing to the consumer	COP	99.88%	99.88%
Tabelco S.A.S.	Production of foods and operation of food establishments providing to the consumer	COP	100.00%	100.00%
Productos Naturela S.A. S.	Production and marketing of healthy and functional foods	COP	60.00%	60.00%
Chile				
Tresmontes Lucchetti S.A.	Provision of specialized business services	CLP	100.00%	100.00%
Nutresa Chile S.A.	Management of financial and investment services	CLP	100.00%	100.00%
Tresmontes Lucchetti Agroindustrial S.A.	Agricultural and industrial production	CLP	100.00%	100.00%
Tresmontes Lucchetti Servicios S.A.	Management of financial and investment services	CLP	100.00%	100.00%
Tresmontes S.A.	Production and sales of foods	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 sales of vegetable oils	CLP	50.00%	50.00%
Inmobiliaria y Rentas Tresmontes Lucchetti	Management of financial and investment services	CLP	-	100.00%
Tresmontes Lucchetti Inversiones S.A.	Management of financial and investment services	USD	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%
Compañía Americana de Helados S.A.	Production and sales of ice cream	CRC	100.00%	100.00%
Servicios Nutresa CR. S.A.	Specialized business services provider	CRC	100.00%	100.00%
Guatemala				

Entity	Main Activity	Functional Currency (1)	% Participation 2019	% Participation 2018
Comercial Pozuelo Guatemala S.A.	Distribution and sales of food products	QTZ	100.00%	100.00%
Distribuidora POPS S.A.	Sales of ice cream	QTZ	100.00%	100.00%
Mexico				
Nutresa S.A. de C.V.	Production and sales of food products	MXN	100.00%	100.00%
Serer S.A. de C.V.	Personnel services	MXN	100.00%	100.00%
Comercializadora Tresmontes Lucchetti S.A. de C.V.	Sales of food products	MXN	100.00%	100.00%
Servicios Tresmontes Lucchetti S.A. de C.V.	Specialized business services provider	MXN	100.00%	100.00%
Tresmontes Lucchetti Mexico S.A. de C.V.	Production and sales of foods	MXN	100.00%	100.00%
TMLUC Servicios Industriales. S.A. de CV	Specialized business services provider	MXN	100.00%	100.00%
Panama				
Promociones y Publicidad Las Américas S.A.	Management of financial and investment services	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 and investment services	USD	100.00%	100.00%
Aldage. Inc.	Management of financial and investment services	USD	100.00%	100.00%
LYC Bay Enterprise INC.	Management of financial and investment services	USD	100.00%	100.00%
Sun Bay Enterprise INC.	Management of financial and investment services	USD	100.00%	100.00%
El Corral Capital INC.	Management of financial resources and franchises	USD	100.00%	100.00%
The United States of America				
Abimar Foods Inc.	Production and sales of food products	USD	100.00%	100.00%
Cordialsa USA. Inc.	Sales of food products	USD	100.00%	100.00%
Other Countries				

Entity	Main Activity	Country	Functional Currency	% Participation 2019	% Participation 2018
TMLUC Argentina S.A.	Production and sales of food products	Argentina	ARS	100.00%	100.00%
Corporación Distribuidora de Alimentos S.A. (Cordialsa)	Sales of food products	Ecuador	USD	100.00%	100.00%
Comercial Pozuelo El Salvador S.A. de C.V.	Distribution and sales of food products	El Salvador	USD	100.00%	100.00%
Americana de Alimentos S.A. de C.V.	Sales of food products	El Salvador	USD	100.00%	100.00%
Comercial Pozuelo Nicaragua S.A.	Sales of food products	Nicaragua	NIO	100.00%	100.00%
Industrias Lácteas Nicaragua S.A.	Sales and logistics management	Nicaragua	NIO	100.00%	100.00%
Compañía Nacional de Chocolates del Peru S.A.	Production of foods and beverages	Peru	PEN	100.00%	100.00%
Helados Bon S.A.	Production and sales of ice cream, beverages, and dairy, et al,	Dominican Republic	DOP	81.18%	81.18%
Compañía de Galletas Pozuelo de República Dominicana S.R.L.	Management of financial and investment services	Dominican Republic	DOP	100.00%	100.00%
Gabon Capital LTD.	Management of financial and investment services	BVI	USD	100.00%	100.00%
Perlita Investments LTD.	Management of financial and investment services	BVI	USD	100.00%	100.00%

Table 2

(*) As of March 2018, Litoempaques S.A. S., changed its corporate name to Servicios Logypack S.A.S., and in November of 2018, the latter changed its corporate name to Inverlogy S.A. S.

Changes in the scope of consolidation

The following are the changes in consolidation parameters, during the period:

2019: In February, the Company "Sociedad Colectiva Civil Inmobiliaria y Rentas Tresmontes Luchetti", was liquidated.

2018: In September 2018, a 60% stake, was obtained, via the acquisition of shares (capitalization), in the amount of $3,221, of Productos Naturela S.A. S., a company dedicated to the production and commercialization of healthy and functional foods. This acquisition is aligned with the purpose of expansion towards innovative products, that benefit the health and nutrition of its consumers. In November 2018, the company TMLUC Perú S.A. was liquidated. In December, the company Tremontes Lucchetti Inversiones S.A. was incorporated in Chile, and the merger between Inmobiliaria Tresmontes Lucchetti S.A. and Tresmontes S.A., was presented, leaving the latter in force.

Note 2. BASIS OF PREPARATION

The Condensed Consolidated Interim Financial Statements of Grupo Nutresa, for the period from January 1st to March 31st of 2019, have been prepared in accordance with the Accounting and Financial Information Standards, accepted in Colombia, based on the International Financial Reporting Standards (IFRS), together with its interpretations, conceptual framework, the foundation for conclusions, and the application guidelines authorized and issued, by the International Accounting Standards Board (IASB), until 2016, and other legal provisions, defined by the Financial Superintendence of Colombia.

2.1 Financial Statements for the interim period

The Condensed Consolidated Interim Financial Statements for the period ended March 31, 2019, have been prepared, in accordance of IAS 34 Interim Financial Reporting, and does therefore not include all of the information and revelations required for the Annual Financial Statements.

2.2 Basis of measurement

The Condensed Consolidated Interim Financial Statements have been prepared on a historical cost basis, except for the measurements at fair value of certain financial instruments, as described in the accounting policies, herewith. The book value of recognized assets and liabilities, that have been designated as hedged items, in fair value hedges, and which would otherwise be accounted for at amortized cost and are adjusted to record changes in the fair values, attributable to those risks that are covered under "Effective hedges".

2.3 Functional and presentation currency

The Condensed Consolidated Interim Financial Statements are presented in Colombian Pesos, which is both the functional and presentation currency of Grupo Nutresa. These figures are expressed in millions of Colombian Pesos, except for basic earnings per share and the representative market exchange rates, which are expressed in Colombian Pesos, as well as, other currencies (E.g. USD, Euros, Pounds Sterling, et al.), and which are expressed as monetary units.

2.4 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 it, within its normal operating cycle, holds the asset primarily, for negotiating 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 negotiating purposes.

Note 3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of consolidation

3.1.1 Investments in subsidiaries

The Condensed Consolidated Interim Financial Statements, include Grupo Nutresa financial information, as well as, its subsidiaries, at March 31, 2019, as well as its corresponding comparative financial information. A subsidiary is an entity controlled by one of the companies that make up Grupo Nutresa. Control exists, when any of the Group companies, has the power to direct the relevant activities of the subsidiary, which are generally: the operating and financing activities, to obtain benefits from them, and is exposed, or has rights, to those variable yields.

The accounting policies and practices are applied homogeneously, 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 Condensed Consolidated Interim Financial Statements.

All balances and transactions between subsidiaries, as well as, the unrealized profits or losses, were eliminated in the consolidation process.

The Financial Statements of the subsidiaries are included in the Consolidated Financial 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 other comprehensive income.

Consolidation of companies in which Grupo Nutresa owns less than the majority of voting rights:

The Group considers exercising control of the relevant activities of Novaceites S.A., despite that their actual controlling shares are 50%, which does not give the majority of the voting rights. This conclusion is based on the composition of the Directive of Novaceites S.A., the Administration of TMLUC, as well as, the General Management of the Company, and the level of involvement of TMLUC, in its accounting and commercial processes.

Companies in which Grupo Nutresa holds the majority of the voting rights, but does not have the control:

The Group considers that it does not exercise control over the relevant activities of Industrias Alimenticias Hermo de Venezuela S.A. and Cordialsa Noel Venezuela S.A., despite having a 100% interest. The changing conditions of the Venezuelan market, including regulation of the foreign exchange market and limited access to the purchase of foreign exchange, through official systems, combined with other governmental controls, such as price controls and profitability, importation, and labor laws, among others, limits the ability to maintain a normal level of production, reduces the ability of the Administration to make and execute operational decisions, restricts the possibility of access to the liquidity, resulting from these operations, and the realization of these benefits to its investors, in other Countries, through dividend payments. The Management, of Grupo Nutresa, considers that this situation will be maintained, in the foreseeable future, and therefore, a loss of control is established on said investment, according to the postulates established in IFRS 10, reasons that served to support, that as of October 1, 2016, these investments were classified as financial instruments measured at fair value with changes in other comprehensive income.

This accounting classification does not compromise the productive and commercial operation of Grupo Nutresa, in Venezuela, its team of collaborators, nor its relationships, with customers and suppliers.

3.1.2 Non-controlling interest

Non-controlling interest, in net assets of the consolidated subsidiaries, are presented separately, within Grupo Nutresa's equity. Profit and loss, and "other comprehensive income", is also attributed to non-controlling and controlling interest.

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

Grupo Nutresa considers non-controlling interest transactions, as transactions with Shareholders of the Company. When realizing acquisitions of minority interest transactions, the difference between the consideration paid, and the interest acquired, over the book value of the subsidiary´s net assets, is recognized as an equity transaction, and 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 has significant influence, over its financial and operating policies, without having control or joint control. 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 the impairment of its value.

The results, assets, and liabilities of the associate, or joint venture, are incorporated in the Condensed Consolidated Interim Financial Statements, using *the Equity Method*, under which the investment is initially recorded at cost and is adjusted with changes of the participation of Grupo Nutresa, 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 will be an outflow of economic benefit, and there is a legal or implicit obligation.

Where *the Equity Method* is applicable, adjustments are realized, to homologize the accounting policies of the associate or joint venture with those of Grupo Nutresa. The portion that corresponds to Grupo Nutresa, of gains and losses, obtained from the measurement at fair value, at the date of acquisition, is incorporated into the Financial Statements, and unrealized 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 the acquisition, to the date that significant influence or joint control over the entity is lost.

The participation of profit and loss, of an associate or joint venture, is presented in the Comprehensive Income Statement, for the period, net of taxes, and non-controlling interest, of the subsidiaries of the associate or joint venture. The participation 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 book value of the investment.

Grupo Nutresa analyzes the existence of impairment indicators and, if necessary, recognizes impairment losses of the associate or joint venture investment, in the profit and loss.

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 book value 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 and loss, in that period.

3.3 Significant accounting policies

Grupo Nutresa, and its subsidiaries, apply the accounting policies and procedures of the Parent Company. An overview of the significant accounting policies, that Grupo Nutresa applies in the preparation of its Condensed Consolidated Interim Financial Statements, is as follows:

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 for using *the Acquisition Method*. Identifiable assets acquired, liabilities, and contingent liabilities, assumed from the acquired, are recognized at fair value, at the date of acquisition. Acquisition expenses are recognized in profit and loss and goodwill, as an asset, in the Consolidated Statement of Financial Position.

The consideration, transferred in the acquisition, is measured as the fair value of assets transferred, liabilities incurred or assumed, and equity instruments, issued by Grupo Nutresa, including any contingent consideration, to obtain control of 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 profit and loss or "other comprehensive income", accordingly. In the 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 it 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 corresponding gain is recognized in profit and 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 of acquisition. Subsequent changes in fair value of a contingent consideration, classified as financial liability, are recognized in profit and losses, 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 expected to be benefitted by 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 is included in the book value of the operation, when the gain or loss of the disposal of the operation is determined. Goodwill written-off is determined, based upon the percentage of the operation sold, which is the difference between the book value of the operation sold and the book value of the cash-generating unit.

3.3.2 Translation of balances and transactions, in foreign currencies

Transactions made in a currency other than the functional currency of the Group 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 entity responsible for certifying this information; non-monetary items, that are measured at fair value, are translated 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 official exchange rates, from the date of the original transaction.

All exchange differences, arising from operating assets and liabilities, are recognized in the Income Statement, as part of operating income or expenses; exchange differences, in other assets and liabilities, are recognized as financial 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 impact, are recognized in "other comprehensive income", until the disposal of the net investment, at which time they are recognized in profit and loss.

Foreign subsidiaries

For the presentation of Grupo Nutresa's Condensed Consolidated Interim Financial Statements, the financial situation, and results of the subsidiaries, whose functional currency is different from the presentation currency of the Group, 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.

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

Main currencies and exchange rates

Below, is the evolution of the closing exchange rates to Colombian Pesos, of the foreign currencies, that correspond to the functional currency of the subsidiaries, of Grupo Nutresa, and that have a significant impact on the Condensed Consolidated Interim Financial Statements:

		March 2019	December 2018	March 2018	December 2017
Panamanian Balboa	PAB	3,174.79	3,249.75	2,780.47	2,984.00
Costa Rican Colon	CRC	5.27	5.31	4.88	5.21
Nicaraguan Cordoba	NIO	97.02	100.52	89.22	96.91
Peruvian Sol	PEN	955.97	964.32	861.09	919.57
U,S, Dollar	USD	3,174.79	3,249.75	2,780.47	2,984.00
Mexican Peso	MXN	163.84	165.33	152.18	151.76
Guatemalan Quetzal	GTQ	413.33	420.03	375.78	406.28
Dominican Peso	DOP	62.81	64.64	56.40	61.78
Chilean Peso	CLP	4.68	4.68	4.61	4.85
Argentine Peso	ARS	73.24	85.95	138.03	158.94

Table 3

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 easily convertible to a determined 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 historical cost, and are restated, to be recognized at its fair value, at the date of each annual accounting period.

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 (minus) the transaction costs directly attributable, except for those who are subsequently measured at fair value.

At initial recognition, Grupo Nutresa classifies its financial assets for subsequent measurement, at amortized cost or fair value, depending on Grupo Nutresa's business model for the administration of financial assets, and the characteristics of the contractual cash flows of the instrument; or as derivatives designated as hedging instruments, in an effective hedge, accordingly.

(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 the contractual cash flows, and the contractual terms of the same grants, on specific dates, cash flows that are solely for payments of principal and interest, on the value of outstanding capital. The carrying amount of these assets is adjusted by any estimate of expected and recognized credit loss. Income from interest of these financial assets is included in "interest and similar income", using the effective interest rate method.

Grupo Nutresa has determined that the business model for accounts receivable is to receive the contractual cash flows, which is why they are included in this category, the Group evaluates whether the cash flows of the financial instruments represent only capital and interest payments. In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic loan agreement. That is, the interest includes only the consideration for the value of money over time, credit risk, other basic credit risks, and a profit margin consistent with a basic loan agreement. When the contractual terms introduce a risk, or volatility exposure, and are inconsistent with a basic loan agreement, the related financial asset is classified and measured at fair value, through profit or loss.

Accounts receivable, from sales are measured by the value of income, minus the value of the expected impairment losses, according to the model defined by the Group. These accounts receivable are recognized, when all the risks and benefits are transferred to the third party.

(ii) Financial assets measured at fair value with changes in other comprehensive income

The financial assets, held for the collection of contractual cash flows and for sales of the assets, where the cash flows of the assets represent only payments of principal and interest, and which are not designated at fair value, through profit or loss, are measured at fair value with changes in other comprehensive income.

For investments in equity instruments, that are not held for trading purposes, Grupo Nutresa chooses to irrevocably present gains or losses, from fair value measurement, in other comprehensive income. In the disposal of investments, at fair value, through other comprehensive income, the accumulated value of gains or losses is transferred directly to retained earnings and is not reclassified to profit or loss. Dividends received in cash, from these investments, are recognized in profit or loss for the period.

The fair values of share price investments are based on the valid quoted prices. If the market for a financial instrument is not active (or the instrument is not quoted on a stock exchange), the Group establishes its fair value using valuation techniques. These techniques include the use of the values observed in recent transactions, realized under the terms of free competition, the reference to other instruments that are substantially similar, analyses of discounted cash flows, and option models, making maximum use of market information, and giving the lesser degree of confidence possible, in internal information specific to the entity.

(iii) Financial assets measured at fair value

The financial assets, different from those measured at amortized cost or at fair value, with changes in other comprehensive income, are subsequently measured at fair value, with changes recognized in profit and loss. A loss or gain on a debt instrument, that is subsequently measured at fair value, through profit or loss and is not part of a hedging relationship, is recognized in the Income Statement, for the period in which it arises, unless it arises from instruments of debt that were designated at fair value, or that are not held for trading.

(iv) Impairment of financial assets at amortized cost

The Group evaluates, in a prospective manner, the expected credit losses associated with the debt instruments, recorded at amortized cost and at fair value, through changes in other comprehensive income, as well as with the exposure derived from loan commitments and financial guarantee contracts. The Group recognizes a provision for losses, at each presentation date. The measurement of the expected credit losses reflects:

- An unbiased and weighted probability quantity, that is determined by evaluating a range of possible outcomes;
- The value of money in time; and
- Reasonable and supported information, available without incurring undue costs or efforts, on the filing date, with regard to past events, current conditions, and future economic condition forecasts.

(v) Derecognition

A financial asset, or a part of it, is derecognized, from the Statement of Financial Position, when it is sold, transferred, expires, or Grupo Nutresa loses control over the contractual rights or the cash flows of the instrument. A financial liability, or a portion of it, is derecognized from the Statement of Financial Position, when the contractual obligation has been settled, 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 book value, is recognized in the Comprehensive Income Statement.

(vi) Modification

In some circumstances, the renegotiation, or modification of the contractual cash flows, of a financial asset, may lead to the derecognition of an existing financial asset. When the modification of a financial asset results in the derecognition of an existing financial asset, and the subsequent recognition of a modified financial asset, it is considered a new financial asset. Accordingly, the date of the modification will be treated as the date of initial recognition, of that financial asset.

(vii) Financial liabilities

Financial liabilities are subsequently measured at amortized cost, using the effective interest rate. Financial liabilities include balances with suppliers and accounts payable, financial obligations, and other derivative financial liabilities. This category also includes those derivative financial instruments, taken by the Group, that are not designated as hedging instruments, in effective hedging.

Financial obligations are classified as such, for obligations that are obtained by resources, be it from credit institutions or other financial institutions, in the country or abroad.

Financial liabilities are written-off in accounts when they are canceled, that is, when the obligation specified in the contract is met, canceled, or expires.

(viii) Off-setting financial instruments

Financial assets and financial liabilities are offset, so that the net value is reported on the Statement of Financial Position of the Consolidated, 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.

(ix) Derivative instruments and hedge accounts

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), and 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 engage in transactions with derivative financial instruments, with the sole purpose of reducing its exposure to fluctuations in exchange rates, and interest rates on foreign currency obligations. These instruments include, among others, swaps, forwards, options, and futures 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 a non-financial item, in accordance with the purchase, sale, or usage requirements, expected by the entity, are considered "derivatives for own-use", and the impact is recognized as part of cost of the inventory.

Grupo Nutresa designates and documents certain derivatives as hedging instruments, to cover:
- Changes in the fair value of recognized assets and liabilities or in firm commitments (fair value hedges)
- Exposure to variations in cash flows of highly probable forecast transactions (cash flow hedges); and
- Hedges of net investments in foreign operations

The Group expects that the hedges are highly effective in offsetting the changes in fair value or variations of cash flows. The Group continuously evaluates the coverage, at least quarterly, to determine that they have actually been highly effective throughout the periods for which they were designated.

3.3.5 Inventories

Assets, held for sale in the ordinary course of business, or in the process of production for such a sale, or in the form of materials or supplies to be consumed in the production process, or services provided, are classified as inventory.

Inventories are valued at the lesser of, acquisition or manufacturing cost, or the net realizable value. Cost is determined using *the Average Cost Method*. The net realizable value is the estimated selling price of inventory. In the ordinary course of operations, less the applicable variable sales expenses. When the net realizable value is below the book value, the value of the impairment is recognized, as an adjustment in the Income Statement, decreasing the value of the inventory.

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 is comprised of: 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 are measured from initial recognition at the fair value, less expenses to realize the sale. The changes are recognized in the Income Statement, for the period. 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, it is measured at cost, and the existence of impairment indicators permanently assessed.

3.3.7 Property, plant and equipment

Property, plant and equipment includes 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 normal operation of the Group´s businesses.

Property, plant and equipment are measured at cost, net of accumulated depreciation, and accumulated impairment losses, 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, the cost, from loans, 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 useful life, and depreciates it, accordingly. Likewise, when major maintenance is performed, its cost is recognized as a replacement of the book value of the asset, to the extent that the requirements for recognition are met. All other routine repair and maintenance expenses are recognized in results, as they are incurred.

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

Depreciation begins 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 4

(*) Some of the machinery, related to production, is depreciated using *the Hours Produced Method*, according to the most appropriate manner, in which the consumption of the economic benefits of the asset, is reflected.

The residual values, useful lives, and depreciation methods, are reviewed at each year-end, and are adjusted prospectively, if required. The factors that can influence the adjustment are: changes in the use of the asset, unexpected significant wear, technological advances, changes in market prices, et al.

A component of property, plant and equipment, or any substantial part of it, initially recognized, is derecognized upon sale or when no future economic benefit from its use or its sale is expected. Any gain or loss, at the time of derecognizing the asset, (calculated as the difference between the net income from the sale and the book value of the asset), is included in the Income Statement, for the period.

At each accounting close, Grupo Nutresa evaluates its assets, to identify indicators, both external and internal, of reductions of its recoverable values. If there is evidence of impairment, property, plant and equipment is tested, to assess whether their book values are fully recoverable. In accordance with IAS 36 "Impairment of Assets", losses due to a reduction in the recoverable value are recognized for the amount at which the book value of the asset, (or group of assets), exceeds its recoverable value (the greater between its fair value minus the disposal costs and their value in use), and is recognized in the Income Statement for the period, as impairment of other assets.

When the book value exceeds the recoverable value, the book value is adjusted to its recoverable value, modifying the future depreciation, in accordance with its new remaining useful life.

Plantations in development: are live Plants that: are used in the elaboration or supply of agricultural products, are expected to produce for more than one period, and have a remote probability of being sold as agricultural products, except for incidental sales of thinning and pruning.

3.3.8 Right-of-use, assets and liabilities

For those assets, that were previously classified as IAS 17 Leases PLUS – (operating leases [IAS 17.56]), Grupo Nutresa recognized, at January 1, 2019, an asset that represents the right-of-use, generated from the period of the lease and the corresponding liability, and all of this under the framework of the application of IFRS Leases. Assets and liabilities, arising from a lease, are measured initially, at present value.

Grupo Nutresa uses, for the calculation of the discount rate, an interest rate, by country and both the duration and type of asset, is taken into consideration.

The Group makes use of the exemptions, for those leases, that on the date of initiation, are short-term (less than 12 months), As well as those denominated as "low value: and that have not been recognized as assets and liabilities as right-to-use. Payments associated with short-term leases, and leases of low-value assets are recognized under the straight-line method, as an expense for leasehold income.

The average depreciation periods for the right-of-use assets are:

Buildings	7 to 17 years
Machinery	3 to 4 years
Transport equipment	5 to 10 years

Table 5

Policy applicable until December 31, 2018

Leases

When determining the classification of an agreement, or conclusion of a contract as a lease, it is based on the essence of the nature of the same, at the date of its conclusion, assessing whether compliance with the agreement rests on the use of a specific asset or if the right-of-use the asset is conferred on the group, even if this right is not explicit in the agreement.

Leases are classified as financial or operating leases. They will be classified as financial leases, provided that the terms of the lease substantially transfer the risks and rewards, inherent in the ownership of the asset, and the asset is recorded at its fair value, at the inception of the lease or, if less, at the present value of the minimum lease payments. The present obligation of minimum payments, and the purchase option, will be recognized in the Statement of Financial Position, as a financial lease obligation. The lease payments are distributed, between the financial expense and the reduction of the obligation, and the expense will be recognized immediately, in the results, unless they are attributable to the assets, according to the costs per loan.

Operating leases will be classified as such, those in which the inherent risks and benefits, in the ownership of the asset, are not transferred by the lessor, and their payments will be recognized as a linear expense, over the lease term.

3.3.9 Investment properties

Land and buildings, owned by Grupo Nutresa, are recognized as investment properties, in order to obtain an income or goodwill, rather being maintained for use or sale, in the ordinary course of operations.

Investment properties are initially measured at cost. The acquisition cost of an investment property includes its purchase price and any directly attributable expenditure. The cost of a 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 losses, if any.

Depreciation is calculated linearly over the asset's useful lives, estimated between 20 and 60 years. Residual values and useful lives are reviewed and adjusted prospectively, at year-end, or when 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 the assets is recognized in income for the period in which it was derecognized.

Transfers to or from investment properties are realized only when there is a change in use. In the case of a transfer from investment property, to property, plant and equipment, the cost, taken into account in subsequent accounting, is the book value at the date of change of use.

3.3.10 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 accounted for at cost less any accumulated amortization 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 are assessed 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, is reviewed at least at the close of 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 at the change of the amortization period or method, as appropriate, and are treated as changes in accounting estimates. Amortization expenses of intangible assets, with finite useful lives, are recognized in the Comprehensive Income Statement for the period. The useful life of an intangible asset with a finite life is between 3 and 99 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 realized prospectively, against the results for the period.

Gains or losses, that arise when an intangible asset is written-off, are measured as the difference between the value obtained in the disposal, and the book value of the asset, and is recognized in profit and loss.

Research and development costs

Research costs are expensed as they are 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 capacity 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, assets, arising from development expenditures, are stated at cost minus accumulated amortization and accumulated losses from the impairment of the value.

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 if loss of value exists.

Research and development costs, not eligible for capitalization, are accounted as expenses, in profit and loss, for the period.

3.3.11 Impairment of non-financial assets, cash-generating units, and goodwill

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

Grupo Nutresa uses its judgment, in the determination of the Cash-Generating Units (CGUs), for the purposes of impairment testing, and has defined as CGUs, those legally constituted entities, dedicated to production, assigning each one of those net assets of the legally constituted entities, dedicated to the provision of services to the producing units (in a transversal or individual way). The assessment of the impairment is realized, at the level of the CGU, or Group of CGUs, that contains the asset to be assessed.

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 is reduced to its recoverable amount.

In calculating the value in use, or the fair value, the estimated future cash flows, whether of an asset or a cash-generating unit, are discounted to their present value, using a discount rate, which reflects market considerations of the value of money over time, as well as, the specific risks of the asset. For the application of fair value, disposal costs will be discounted.

The impairment losses of continuing operations are recognized in the Comprehensive Income Statement, for the period, under expenses, that correspond to the function of the impaired asset. Impairment losses attributable to a cash-generating unit are initially allocated to goodwill and, once exhausted, the impairment losses are proportionally attributed to other non-current assets of the cash-generating unit, based upon the book value of each asset.

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 (at the close of each period), an assessment of whether there is any indication that impairment losses previously recognized value no longer exists 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 book value of the asset does not exceed its recoverable amount, nor does it exceed the book value that would have been determined, net of depreciation, if it had not recognized impairment loss, for the asset in previous years. Such a reversal is recognized in the Comprehensive Income Statement, for the period.

3.3.12 Taxes

This includes the value of mandatory general-nature taxation in favor of the State, by way of private closeouts, that are based on the taxes of the fiscal year and responsibility of each company, according to the tax norms of national and territorial governing entities, in each of the countries where Grupo Nutresa´s subsidiaries operate.

Income tax

(i) Current

Assets and liabilities for income tax, 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 under current tax, in accordance with the tax clearance, between taxable income and accounting profit and loss, and is impacted by the rate of income tax in the current year, in accordance with the provisions of the tax rules of each country. Taxes and tax norms or laws used to compute these values are those that are approved at the end of the reporting period, in the countries where Grupo Nutresa operates and generates taxable income. The current assets and liabilities, for income tax, are also 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.

(ii) Deferred

Deferred income tax is recognized, using *the liability method*, and is calculated on temporary differences between the taxable bases of assets and liabilities, and the book value. Deferred tax liabilities are generally recognized for all temporary tax differences imposed, and all of the deferred tax assets are recognized for all temporary deductible differences, future compensation of tax credits, and unused tax losses, to the extent that it is likely there will be availability of future tax profit, against which, they can be attributed. Deferred taxes are not subject to financial discount.

Deferred asset and liability taxes are not recognized, if a 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, it impacted neither the accounting profit nor taxable profit and loss; and in the case of deferred tax liability, arising from the initial recognition of goodwill.

Deferred tax liabilities, related to investments in 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 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 tax profit, against which these deductible differences, will be charged. Deferred tax liabilities, related to goodwill, are recognized only to the extent that it is probable that the temporary differences will be reversed in the future.

The book value of deferred tax assets is reviewed at each reporting date and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available for use, in part or in totality, or a part of the asset, from said tax. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it is probable that future taxable profit income is likely to allow for their recovery.

Assets and liabilities from deferred taxes 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 income tax rates and norms, that were approved at the date of filing, or whose approval will be nearing completion, by that date.

Deferred tax is recognized in profit and loss, except when relating to items not recognized in profit and loss, in which case will be presented in "other comprehensive income", or directly in equity.

3.3.13 Employee benefits

a) Short-terms benefits

These are, (other than termination benefits), benefits expected to be settled in its totality, 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, for the expected value to be paid.

b) Other long-term benefits

Long-term employee benefits, (that differ from post-employment benefits and termination benefits), that do not expire within twelve months after the end of the annual period in which the employee renders services, are remunerated, such as long-term benefits, the variable compensation system, and retroactive severance interest. The cost of long-term benefits is distributed over the time measured between the employee starting 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) Pensions and other post-employment benefits

(i) Defined contribution plans

Contributions to defined contribution plans are recognized as expenses, in the Comprehensive Income Statement, according to the accrual of the contribution, of the same.

(ii) Defined benefit plans

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

The cost of this benefit is determined by *the projected unit credit method.* The liability is measured annually, for 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 profit and loss, 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 are 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.

3.3.14 Provisions, contingent liabilities and assets

a) Provisions

Provisions are recognized when, as a result of, a past event, Grupo Nutresa has a present legal or implicit obligation to a settlement, and requires an outflow of resources, that are considered probable, and can be estimated with certainty.

In cases where Grupo Nutresa 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 Comprehensive Income Statement, for the period, net of all reimbursement. The increase in the provision, due to the passage of time, is recognized as financial 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 or more uncertain future events, not wholly within the control of Grupo Nutresa, or present obligations arising from past events, that are not likely, but there exists a possibility 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, are not recognized in the Statement of Financial Position, and are however, disclosed as contingent assets, when it is a probable occurrence. When the said contingent is certain, the asset and the associated income, are recognized for that period.

3.3.15 Revenue

Contract assets

A contract asset is the Group's right to receive a payment in exchange for goods or services that the Group has transferred to a client, when that right is contingent upon something other than the passage of time (for example, billing or delivery of other elements, part of the contract). The Group perceives the contract assets, as current assets, since they are expected to be realized within the normal operating cycle.

The costs of contracts eligible for capitalization, as incremental costs, when obtaining a contract, are recognized as a contract asset. Contract subscription costs are capitalized when incurred, if the Group expects to recover said costs. The costs of signing contracts constitute non-current assets, to the extent that it is expected to receive the economic benefits of said assets, in a period greater than twelve months. The contracts are amortized systematically and consistently, with the transfer to the client of the services, once the corresponding income has been recognized. The contract subscription costs capitalized are impaired, if the client withdraws, or if the book value of the asset exceeds the projection of the discounted cash flows that are related to the contract.

Contract liabilities

Contract liabilities constitute the Group's obligation to transfer goods or services to a customer, for which the Group has received a payment, from the end customer, or if the amount is past due.

Grupo Nutresa recognizes income from contracts with customers, based on the provisions established in IFRS 15:

- **Identification of contracts with client:** a contract is defined as an agreement between two or more parties, which creates rights, and obligations, required, and establishes criteria that must be met for each contract.
- **Identification of performance obligations in the contract:** a performance obligation is a promise in a contract with a customer, for the transfer of a good or service.
- **Determination of the price of the transaction:** the transaction price is the amount of the consideration to which the Group expects to be entitled, in exchange for the transfer of the goods or services promised to a client, excluding amounts received, on behalf of third parties.
- **Distribute the transaction price between the performance obligations of the contract:** in a contract that has more than one performance obligation, Grupo Nutresa distributes the price of the transaction between the performance obligations in amounts that represent the amount of consideration that the Group expects to have the right to change to meet each performance obligation.
- Recognition of income, when (or as) Grupo Nutresa fulfills a performance obligation.

Grupo Nutresa meets its performance obligations, at a specific point in time.

Income is measured, based on the consideration specified in the contract, with the clients, and excludes the amounts received on behalf of third parties. The Group recognizes income when it transfers control over an asset. The income is presented net of value added tax (VAT), reimbursements, discounts, and after eliminating sales, within the Group.

The Group evaluates its income plans, based on specific criteria, in order to determine whether it acts as principal or agent.

Income is recognized, to the extent that the economic benefits are likely to flow to the Group, and if it is possible to reliably measure income and costs, if any.

The specific recognition criteria, listed below, must also be met for the income to be recognized:

a) Sale of goods
Revenue, from the sale of goods, is recognized when the control over the products has been transferred.

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

c) Customer loyalty
The Group awards points to its customers for purchases, under the loyalty plan program, which can be redeemed in the future, for prizes such as household products, travel, snacks, home decoration, and discounts, among others. The points are measured, at their fair value, which corresponds to the value of the point perceived by the client, considering the different redemption strategies. The fair value of the point is calculated at the end of each accounting period. The obligation to provide these points is recorded in liabilities, as a deferred income, and corresponds to the portion of benefits pending redemption, valued at their fair value.

3.3.16 Production expenses

Indirect production costs that do not contribute to move inventories to their present location and condition, and that are not necessary for the production process, are recorded as production expenses.

3.3.17 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 for compensation, are recognized as expense. When the grant relates to an asset, it is recorded as deferred income and is recognized as profit or loss, on a systematic basis, over the estimated useful life of the corresponding asset.

3.3.18 Fair Value

Fair value is the price that would be received in selling an asset, or paid to transfer a liability, in an orderly transaction, between independent market participants, at the measurement date.

Grupo Nutresa uses valuation techniques, which are appropriate under circumstances for which sufficient information is available to measure the fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Fair value is determined:

- Based on quoted prices in active markets for identical assets or liabilities that the Group 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 flow techniques or other valuation models, using estimated variables by Grupo Nutresa for the unobservable asset or liability, in the absence of variables observed in the market (Level 3)

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

3.3.19 Operating segments

An operating segment is a component of Grupo Nutresa 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, The Board of Grupo Nutresa, to decide about the allocation of resources to segments, as well as, assess performance.

The financial information of the operating segments is prepared under the same accounting policies used in the preparation of the Condensed Consolidated Interim Financial Statements of Grupo Nutresa.

For those operational segments that overreach the quantitative threshold of 10% of income, EBITDA, and operational income, as well as, the informational segments that are considered relevant for decision making by the Board of Directors. The other segments are grouped in categories called “other segments”.

3.3.20 Basic earnings per share

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

The average number of outstanding shares, for the periods, ended March 31, 2019 and December 31, 2018, is 460,123,458.

To calculate diluted earnings per share, profit for the period, attributable to holders of ordinary shares, and the weighted average number of shares outstanding, for all the inherent dilutive potential ordinary shares, is adjusted.

3.3.21 Relative importance or materiality

Information is material or has relative importance, 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 is prosecuted depending on the particular circumstances in which they are produced. The magnitude or nature of the item, or a combination of both, could be the determining factor.

3.4 Changes in accounting policies

3.4.1 Leases

Quantitative impacts:

- On January 1, 2019, the Group recognized assets, and liabilities, for right-of-use, for a total amount of $934,916, which represents 6.9% of total the assets and 18.1% of the total liabilities.
- For the First Quarter of 2019, operating income, showed an increase of $9,342. The depreciation amount for the right-of-use assets was $27,680, and the interest expense, generated by the right-of-use liabilities was $ 15,588.
- The cash flows have no impact, due to the application of this rule.

Presentation impacts:

Due to the application of this norm, changes were made to the structure of the following Financial Statements:

- The Statement of Financial Position
- The Statement of Comprehensive Income
- The Statement of Cash Flows

The Group's activities, as a lessor, are not relevant and, therefore, do not have significant impact on the Financial Statements.

3.5 New interpretation, issued by the Council of the International Accounting Standards Board (IASB): not yet incorporated into the accounting framework accepted in Colombia

IFRIC 23 Uncertainty regarding the Treatment of Income Taxes

IFRIC 23 was issued in May 2017. This interpretation clarifies how to apply the recognition and measurement requirements of IAS 12, when there is uncertainty over the treatment of income tax. In this circumstance, an entity recognizes and measures its asset or liability, for deferred or current taxes, by applying the requirements of IAS 12, on the basis of taxable profit (tax loss), tax bases, unused fiscal losses, unused tax credits, and tax rates, determined by applying this interpretation.

The Group will evaluate the potential impacts of this interpretation, in its Financial Statements, without having identified situations that may require changes in the Financial Statements.

Note 4. JUDGMENTS, ESTIMATES, AND SIGNIFICANT ACCOUNTING ASSUMPTIONS

The preparation of Grupo Nutresa's Condensed Consolidated Interim Financial Statements requires that Management must make judgments, accounting estimates, and assumptions that impact the amount of income and expenses, assets, and liabilities, and related disclosures, as well as, the disclosure of contingent liabilities, at the close of the reporting period. The Group bases its assumptions and estimates, considering all parameters available, at the time of preparation of these Condensed Consolidated Interim Financial Statements. In this regard, the uncertainty of assumptions and estimates could impact future results that could require significant adjustments to the book amounts of the assets or liabilities impacted.

In applying Grupo Nutresa's accounting policies, Management has made the following judgments and estimates, which have significant impact on the amounts recognized in these Consolidated Financial Statements:

- Choose, appropriately, the models, and assumptions, for the measurement of the expected credit loss
- Establish groups of similar financial assets, in order to measure the expected credit loss
- Determination of the compliance time of performance obligations
- Assessment of the existence of impairment indicators, for assets, goodwill, and asset valuation, to determine the existence of impairment losses (financial and non-financial assets)
- Assumptions used in the actuarial calculation of post-employment and long-term obligations with employees
- Useful life and residual values of property, plant and equipment, and intangibles
- Suppositions used to calculate the fair value of financial instruments
- Determination of the existence of financial or operating leases, based on the transfer of risks and benefits of the leased assets
- Recoverability of deferred tax assets
- Determination of control, significant influence, or joint control over an investment
- Determination of lease terms

Note 5. OPERATING SEGMENTS

Grupo Nutresa`s operating segments reflect its structure and how Management, in particular, the Board of Directors, evaluates the financial information for decision-making in operational matters. For the administration, businesses are assessed by combining geographic areas and types of products. The segments for which financial information are presented, as follows:

- **Cold Cuts:** Production and sale of processed meats (sausage, pepperoni, ham, bologna and burgers), matured meat (Serrano ham, Spanish chorizo, and salami), ready to eat meals, canned foods, and mushrooms
- **Biscuits: the production and commercialization of sweet flavored cookies lines, with crème and wafers, salty crackers, and snacks, and** healthy and functional foods
- **Chocolate**: Production and sale of chocolate bars, chocolate (bars and milk modifiers), chocolate candies, snacks, cereal bars, and nuts
- **TMLUC**: Stands for Tresmontes Lucchetti, a business unit that produces and sells: instant cold drinks, pasta, coffee, snacks, edible oil, juices, soups, desserts, and teas
- **Coffee**: Production and marketing of roasted and ground coffee, instant coffee (powdered, granulated, and freeze-dried), and coffee extracts
- **Retail Foods**: Formats established for direct sale to consumers, like restaurants and ice cream parlors, where hamburger products, prepared meats, pizza, ice cream, and yogurt are offered.
- **Ice Cream:** This segment includes desserts, water and milk-based ice cream pops, cones, Ice cream by the liter, as well as, ice cream cups and biscuits with ice cream.
- **Pasta**: Produced and sold in Colombia, as short, long, egg, with vegetables, with butter, and instant pasta

The Board of Directors monitors the operating results of the Business Units separately, for the purposes, of making decisions about allocating resources and assessing financial performance. The financial performance of the segments is evaluated, on the basis of operating revenues and EBITDA generated, which are measured uniformly with the Consolidated Financial Statements. Financing operations, investment, and tax management are managed centrally, and are therefore, not allocated to operating segments.

The Management Reports, and the ones generated by accountancy of the Group, use the same policies, as described in the note of accounting criteria, and there are no differences, in totality, between the total measurements of results, with respect to the accounting policies applied.

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

Assets and liabilities are managed by the administration of each of the subsidiaries of Grupo Nutresa; no segment allocation is assigned.

There are no individual customers, whose transactions represent more than 10% of Grupo Nutresa's income.

5.1 Operating income from contracts with clients:

Income is recognized once control has been transferred to the customer. Some goods are sold with discounts, that are recognized at the moment when the income is invoiced, and others with the fulfillment of goals by the client. Income is recognized, net of these discounts. The Group's experience is used, to estimate and provide discounts, using the expected value method, and income is only recognized to the extent that it is very likely that a significant reversal will not occur. A reimbursement liability (included in commercial accounts and other accounts payable) is recognized for the expected volume discounts, payable to customers in relationship to the sales realized, to the end of the reporting period. No element of financing is considered present, since sales are realized with a credit term, that in some cases, can reach up to 90 days, which is consistent with the practice of the market. Grupo Nutresa does not recognize any guarantee, on the products it sells. During the First Quarter of 2019 and 2018, the Group did not incur incremental costs, to obtain contracts with its customers, nor other costs associated with the execution of the contract.

a) Income from ordinary activities, by segments

	First Quarter					
	External clients		Inter-segments		Total	
	2019	2018	2019	2018	2019	2018
Cold Cuts	440,056	442,387	8,207	7,787	**448,263**	**450,174**
Biscuits	457,882	420,374	2,652	2,663	**460,534**	**423,037**
Chocolate	375,382	340,232	8,586	9,146	**383,968**	**349,378**
TMLUC	258,451	248,783	1,103	150	**259,554**	**248,933**
Coffee	251,438	228,386	191	222	**251,629**	**228,608**
Retail Food	185,966	174,884	-	287	**185,966**	**175,171**
Ice Cream	112,129	111,391	181	158	**112,310**	**111,549**
Pastas	77,252	70,468	1,263	88	**78,515**	**70,556**
Others	87,186	67,440	-	-	**87,186**	**67,440**
Total segments	**2,245,742**	**2,104,345**	**22,183**	**20,501**	**2,267,925**	**2,124,846**
Adjustments and eliminations					(22,183)	(20,501)
Consolidated					**2,245,742**	**2,104,345**

Table 6

b) Information by geographical locations

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

	First Quarter 2019	First Quarter 2018
Colombia	1,408,964	1,346,076
Central America	222,582	201,724
Chile	189,584	187,378
United States	187,847	153,227
Mexico	83,730	73,759
Peru	41,178	36,205
Dominican Republic and the Caribbean	39,657	36,499
Ecuador	29,839	27,592
Others	42,361	41,885
Total	**2,245,742**	**2,104,345**

Table 7

Sales information is realized with consideration of the geographical location of the end-user customer.

c) Information by type of product

Given that some segments are also categorized by geographical location, sales to external customers are presented by product category, as follows:

	First Quarter 2019	First Quarter 2018
Foods	1,135,290	1,132,352
Beverages	523,759	485,282
Candy y snacks	400,659	366,009
Others	186,034	120,702
Total	**2,245,742**	**2,104,345**

Table 8

d) Calendar of recognition of revenue from ordinary activities:

Grupo Nutresa transfers the goods it sells, at a specific moment in time. It does not have performance obligations, that are satisfied over time. The contracts that the Group has with its customers are short-term.

5.2 EBITDA

	First Quarter							
	Operating Profit		Depreciation and Amortization (Note 20)		Unrealized Exchange Differences from Operating Assets and Liabilities (Note 22)		EBITDA	
	2019	2018	2019	2018	2019	2018	2019	2018
Cold Cuts	44,555	45,403	13,884	9,347	(717)	(494)	57,722	54,256
Biscuits	52,050	48,232	12,284	10,762	(454)	(470)	63,880	58,524
Chocolate	51,316	52,207	11,713	8,338	(101)	(64)	62,928	60,481
TMLUC	26,020	24,660	12,144	9,545	23	(389)	38,187	33,816
Coffee	17,981	16,391	7,342	6,149	(410)	997	24,913	23,537
Retail Food	21,708	3,974	20,301	16,988	(44)	(73)	41,965	20,889
Ice Cream	8,081	5,583	7,956	7,394	2	(69)	16,039	12,908
Pastas	8,218	7,100	2,625	1,836	(54)	(169)	10,789	8,767
Others	234	(1,568)	3,219	1,578	242	88	3,695	98
Total segments	**230,163**	**201,982**	**91,468**	**71,937**	**(1,513)**	**(643)**	**320,118**	**273,276**

Table 9

Note 6. TRADE AND OTHER ACCOUNTS RECEIVABLES, NET

Trade and other accounts receivables, are as follows:

	March 2019	December 2018
Clients	1,006,312	985,105
Accounts receivable from employees	38,186	39,619
Accounts receivable from related parties	16,306	15,395
Loans to third-parties	591	770

Dividends receivable (Note 9)	61,493	14,498
Other accounts receivable	12,898	12,051
Impairment	(21,179)	(18,794)
Total trade and accounts receivable	**1,114,607**	**1,048,644**
Current portion	1,088,410	**1,020,579**
Non-current portion	26,197	**28,065**

Table 10

To ensure recovery of trade debts and other accounts receivable, "blank promissory notes" are constituted with letters of instruction, advances are solicited, bank guarantees, and, in some cases, collateral is requested. For loans to employees, mortgages, and pledges are constituted, and promissory notes are signed.

According to the Company's assessment of historical information and portfolio analyses, as of March 31, 2019, there is no objective evidence that overdue balances receivable, present material risks of impairment, that imply adjustments to the impairment recorded in the Financial Statements on those dates.

Note 7. BIOLOGICAL ASSETS

The following is a breakdown of biological assets:

	March 2019	December 2018
Biological assets - Cattle	48,642	50,033
Biological assets - Pig	33,121	41,226
Crops	3,574	3,310
Total	**85,337**	**94,569**

Table 11

The following are the amounts and principal locations of the biological assets:

	Quantities		Location
	March 2019	December 2018	
Biological assets – Cattle (1)	30,570 Units	32,166 Units	Antioquia, Cordoba, Cesar, Santander, Sucre and Caldas - Colombia
Biological assets – Pig (1)	95,146 Units	97,325 Units	Antioquia and Caldas - Colombia
	9,767 Units	10,288 Units	Provincia de Oeste - Panama
Forest plantations			
Mushroom crops (2)	41,080 m^2	41,080 m^2	Yarumal - Colombia

Table 12

(1) Pork livestock farming, in Colombia, is realized through owned-farms, farms in participation, and leased farms. Its production is used as raw material for the development of business products of the Cold Cuts Business.

Pigs and cattle, in Colombia, are measured at fair value, using as a reference, the market values, published by the National Association of Pig Farmers and livestock auctions at fairs, in each location. This measurement is at the Level 2 of the fair value hierarchy, of IFRS 13. At March 31, 2019, the price per average kilo of the pig livestock used in the valuation was $5,173 (2018: $5,248). For cattle a price per average kilo of $4,334 (2018: 4,098) was used.

The value of pigs that are produced in Panama, increased in March 2019, is $4,027 (2018: $4,399), are measured upon initial recognition under the cost model, taking into account that there is no active market, in said country.

(2) Mushroom crops are used by Setas Colombianas S.A., in its production processes, located in Yarumal, Colombia. It is measured under the cost model, taking into account that there is no active market for these crops, and that the productive cycle is short-term, close to 90 days.

Losses for the period, from changes in fair value, minus the sales cost of biological assets, at March 31, 2019, were $1,731 (March 31, 2018 $87), and is included in profit and loss, in operating income.

At the end of the reporting period, and the comparative period, there are no restrictions on the ownership of the Group's biological assets, nor significant contractual commitments, for its development or acquisition, and have not been pledged, as collateral for debt compliance.

Note 8. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

Investments in associates and joint ventures, are as follows:

			Book value		First Quarter 2019		First Quarter 2018	
	Country	% Participation	March 2019	December 2018	Share of Profit and Loss for the Period	Share of Other Comprehensive Income	Share of Profit and Loss for the Period	Share of Other Comprehensive Income
Associates								
Bimbo de Colombia S.A.	Colombia	40%	140,047	139,918	(39)	168	(1.787)	(337)
Dan Kaffe Sdn. Bhd	Malaysia	44%	29,291	30,068	403	(1,180)	256	(450)
Estrella Andina S.A.S.	Colombia	30%	12,414	10,688	(374)	-	(598)	-
Joint ventures								
Oriental Coffee Alliance Sdn. Bhd	Malaysia	50%	11,333	12,121	(367)	(421)	(198)	(28)
Total associates and joint ventures			**193.085**	**192.795**	**(377)**	**(1,433)**	**(2,327)**	**(815)**

Table 13

Bimbo de Colombia S.A. is a stock company domiciled in Tenjo, Colombia, dedicated primarily to the manufacturing of baked goods.

Dan Kaffe Sdn. Bhd. is a company domiciled in Johor Bahru, Malaysia, dedicated to the production of frozen coffee extract and dry instant coffee. It is a strategic partner for the coffee business, due to their high production standards, ideal location, and growth potential, as it allows for combination of the world-class Colcafé, soluble coffee experience, and with deep knowledge of the Japanese partner of the Asian market, the flavor, ingredients, and advanced technologies, provisioning capabilities of pending raw materials, and widespread commercial network, throughout the region.

Estrella Andina S.A.S. is a simplified joint stock company domiciled in Bogota, Colombia, engaged in the marketing of ready-made meals in coffee shops.

Oriental Coffee Alliance Sdn. Bhd. is a company domiciled in Kuala Lumpur, Malaysia, dedicated to the sale of Dan Kaffe Malaysia (DKM) products, as well as, some Colcafé products and also part of the Group, in Asia. This partnership with the Mitsubishi Corporation, allows Grupo Nutresa to advance their initially set objectives, with the acquisition of DKM, to expand its role in the global coffee industry, diversify production, and the origin of its soluble coffee, and break into the rapid growth market of coffee in Asia.

The movements of the book value of the investments in associates and joint ventures, are as follows:

	First Quarter 2019	First Quarter 2018
Opening balance at January 1st	**192,795**	**180,451**
Increase of contributions (1)	2,100	-
Reclassification of investments (2)	-	(651)
Participation in profit and loss, for the period	(377)	(2,327)
Participation in other comprehensive income	(1,433)	(815)
Balance at March 31st	**193,085**	**176,658**

Table 14

(1) In February 2019, an extension of capitalization was realized, in Estrella Andina S.A.S., in which, Grupo Nutresa invested $2,100, without generating changes in the percentage of participation, and which were paid in its totality.

(2) In March 2018, a change was realized, in the classification of other investments, to joint operations.

During the period covered by these Financial Statements, no dividends were received from these investments.

None of the associates and joint ventures, held by the Group, are listed on a stock market, and consequently, there are no quoted market prices, for the investment.

Note 9. OTHER NON-CURRENT FINANCIAL ASSETS

Grupo Nutresa classifies as equity instruments, measured at fair value, under comprehensive income, those portfolio investments that are not held for trade.

The results for the period include income from dividends on said instruments, and are recognized, by Nutresa, on the date that the right to receive future payments is established, which is the date of declaration of dividends by the issuing Company. The “other comprehensive income” includes changes in the fair value of these financial instruments.

The breakdown of financial instruments, is as follows:

Book value	Number of Shares Held	Participation as % in Total Ordinary Shares	March 2019	December 2018
Grupo de Inversiones Suramericana S.A.	61,021,436	13.01% (2018: 13.09%)	2,235,825	1,971,736
Grupo Argos S.A.	79,804,628	12.36%	1,444,464	1,348,698
Other companies(*)			2,260	2,260
			3,682,549	**3,322,694**

Table 15

	First Quarter			
	2019		2018	
	Dividend Income	Profit on Fair Value Measurement	Dividend Income	Loss on Fair Value Measurement
Grupo de Inversiones Suramericana S.A.	33,562	275,969	30,763	(179,351)
Grupo Argos S.A.	27,931	95,766	-	(164,398)
Other companies	-	-	1,573	(68,151)
	61,493	**371,735**	**32,336**	**(411,900)**

Table 16

The value of the dividend per share, declared for 2019, by Grupo de Inversiones Suramericana S.A. was $550 pesos, yearly per share. These will be paid quarterly, in the amount of $137.50. For its part, Grupo Argos S.A. declared, in the month of March, dividends, in the amount of $350 pesos, yearly, per share, to be paid quarterly, in the amount of $87.50.

For 2018, the annual value, per share, was $328 Pesos, ($82 Pesos per quarter), for Grupo Argos S.A., and $518 Pesos, (129.50 pesos per quarter for Grupo de Inversiones Suramericana S.A.

Income from dividends, recognized for the First Quarter of 2019, for portfolio investments, corresponds mainly to the total annual dividend, declared by the issuers, and no similar income for the remainder of the year is expected.

At March 31, 2019, accounts receivable, from dividends of financial instruments, are $61,493 (December 2018 - $14,498).

In January of 2019, 365,114 shares of equity instruments, of Grupo de Inversiones Suramericana S.A., were sold for $11,880.

At March 31, 2019, there were pledges of 26,686,846 (December 2018: 22,103,000) shares of Grupo de Inversiones Suramericana S.A., in favor of financial entities in Colombia, as collateral for obligations, contracted by Grupo Nutresa and its subsidiaries.

(*) Investments in financial instruments, held by Grupo Nutresa, in Venezuela, were updated at the official rate of the Central Bank of Venezuela Bs$49,731, generating a decrease in the investment of these financial assets, in the amount of $66,007, which were recognized in other comprehensive income, as of March 31, 2018. In addition to the volatility, and uncertainty, linked to the evolution of Bolívar, the remaining value of the investment was provisioned at $720.

Fair value measurement

The fair value of shares traded, and that are classified as high trading volume, is determined, based on the quoted price on the Colombian Stock Exchange. This measurement is in the Hierarchy 1, established by IFRS 13 for the measurement of fair value. This category includes investments held by Grupo Nutresa in Grupo de Inversiones Suramericana S.A. and Grupo Argos S.A. This measurement is done monthly. In the case of other investments, when the book value is material, the annual measurement will be realized, using valorization techniques, recognized, and accepted, under IFRS 13.

The following is a breakdown of the value per share, used in the valorization in the investments, quoted in the Colombian Stock Exchange (Bolsa de Valores de Colombia):

Price per share (In Colombian Pesos)	March 2019	December 2018
Grupo de Inversiones Suramericana S.A.	36,640	32,120
Grupo Argos S.A.	18,100	16,900

Table 17

Investments in other companies, classified in this category, are measured at fair value, on a non-recurrent basis, only when a market value is available. The Company considers omission of recurrent measurement of these investments is immaterial, for the presentation of Grupo Nutresa's Financial Statements.

There have been no changes in the fair value hierarchy, for the measurement of these investments, nor have there been changes in the valuation techniquesused.

Note 10. PROPERTY, PLANT AND EQUIPMENT, NET

The movement of property, plant and equipment occurring during the period, is as follows:

	Land	Buildings	Machinery and Production Equipment	Transportation Equipment	Computer Equipment	Office Equipment	Leasehold Improvements	Assets in Progress	Plantations in development (*)	Total
Cost	786,484	929,129	2,630,897	26,697	43,347	61,115	145,627	134,808	11,943	**4,770,047**
Depreciation and/or impairment	(337)	(211,256)	(1,044,339)	(17,615)	(27,578)	(39,962)	(52,596)	-	-	**(1,393,683)**
Balance at January 1, 2019	**786,147**	**717,873**	**1,586,558**	**9,082**	**15,769**	**21,153**	**93,031**	**134,808**	**11,943**	**3,376,364**
Acquisitions	-	-	1,362	2,679	278	80	1,434	24,161	-	**29,994**
Disposals	-	-	(346)	(24)	-	-	-	(174)	-	**(544)**
Depreciation		(8,372)	(45,497)	(855)	(1,211)	(1,477)	(4,021)			**(61,433)**
Impairment	-	-	-	-	-	-	-	-	-	**-**
Transfers	-	197	40,143	233	287	216	104	(41,180)	-	**-**
Exchange translation impact	(1,316)	(2,388)	(5,748)	(103)	(50)	(81)	(131)	(327)	-	**(10,144)**
Capitalization and consumption	-	-	-	-	-	-	-	-	652	**652**
Cost	785,160	925,736	2,660,862	29,041	43,769	61,015	146,919	117,288	12,595	**4,782,385**
Depreciation and/or impairment	(329)	(218,426)	(1,084,390)	(18,029)	(28,696)	(41,124)	(56,502)	-	-	**(1,447,496)**
Balance at March 31, 2019	**784,831**	**707,310**	**1,576,472**	**11,012**	**15,073**	**19,891**	**90,417**	**117,288**	**12,595**	**3,334,889**
Cost	790,239	911,066	2,442,413	23,645	39,833	61,512	142,000	138,515	9,129	**4,558,352**
Depreciation and/or impairment	(310)	(175,877)	(860,467)	(15,620)	(24,804)	(36,081)	(49,522)	-	-	**(1,162,681)**
Balance at January 1, 2018	**789,929**	**735,189**	**1,581,946**	**8,025**	**15,029**	**25,431**	**92,478**	**138,515**	**9,129**	**3,395,671**
Acquisitions	-	-	1,817	1,205	465	255	2,363	19,472	-	**25,577**
Disposals	(1,555)	(857)	(4,886)	(44)	-	(4)	-	-	-	**(7,346)**
Depreciation	-	(8,385)	(46,757)	(644)	(1,280)	(1,357)	(8,146)	-	-	**(66,569)**
Impairment	-	-	19	-	-	-	-	-	-	**19**
Transfers	(2,624)	585	24,938	(143)	172	(1,175)	422	(27,396)	-	**(5,221)**
Exchange translation impact	(11,418)	(12,408)	(25,667)	(394)	(371)	(1,058)	(543)	(2,846)	-	**(54,705)**
Capitalization and consumption	-	-	-	-	-	-	-	-	609	**609**
Cost	774,620	891,701	2,413,191	23,118	37,924	55,963	137,907	127,745	9,738	**4,471,907**
Depreciation and/or impairment	(288)	(177,577)	(881,781)	(15,113)	(23,909)	(33,871)	(51,333)	-	-	**(1,183,872)**
Balance at March 31, 2018	**774,332**	**714,124**	**1,531,410**	**8,005**	**14,015**	**22,092**	**86,574**	**127,745**	**9,738**	**3,288,035**

Table 18

(*) Our own cocoa plantations are experimental and aim to promote the development of cocoa crops, through agroforestry systems (cocoa - timber), with the Country's farmers.

Currently, there is a sowed area about of 170 hectares, of a project that will reach approximately 200 cultivated hectares by 2022. The plant achieves its maximum production at approximately 7 years, with two crops per year, and an expected useful life of 25 years. The Group's Management established that the project has not reached its optimum level of operation and fine-tuning, with which, in December 2017, the Company applied the amendment to IAS 41 Agriculture and IAS 16 Property, plant and equipment, which gives the production plants the treatment of property, plant and equipment. As part of this change in accounting policies, the value of Property, Plant and Equipment, corresponding to the historical costs of the plantations, at the time of reclassification, was transferred.

At March 31, 2019, there was no collateral of property, plant and equipment.

Note 11. RIGHT-OF-USE ASSETS

The balances of right-of-use assets, are as follows (see accounting policy 3.3.8):

	Buildings	Transportation Equipment	Machinery and Production Equipment	Total
First-time Adoption	860,000	55,742	19,174	934,916
Balance at January 1, 2019	**860,000**	**55,742**	**19,174**	**934,916**
Acquisitions	3,148	157	707	4,012
Disposals	(82)	(100)	-	(182)
Depreciation	(22,190)	(4,128)	(1,362)	(27,680)
Exchange translation impact	(55)	-	4	(51)
Balance at March 31, 2019	**840,821**	**51,671**	**18,523**	**911,015**

Table 19

Note 12. GOODWILL

The movement of book values of goodwill, assigned to each one of the segments of the Group, is as follows:

Reportable Segment	CGU	Balance at December 31, 2018	Exchange Differences	Balance at March 31, 2019
Retail Foods	Grupo El Corral	534,811	-	534,811
	Grupo Pops	170,494	-	170,494
	Helados Bon	51,530	-	51,530
Coffee	Industrias Aliadas S.A.S.	4,313	-	4,313
Cold Cuts	Setas Colombianas S.A.	906	-	906
Chocolate	Nutresa de Mexico	186,070	(703)	185,367
Biscuits	Abimar Foods Inc.	96,546	-	96,546
	Galletas Pozuelo	33,914	(266)	33,648
	Productos Naturela	1,248	-	1,248
TMLUC	Grupo TMLUC	1,006,076	318	1,006,394
		2,085,908	**(651)**	**2,085,257**

Table 20

Note 13. INCOME TAXES AND TAXES PAYABLE

13.1 Applicable Norms

The effective and applicable tax norms, state that nominal rates of income tax, for Grupo Nutresa, are as follows:

Income tax %	2018	2019	2020	2021	2022
Colombia (*)	37.0	33.0	32.0	31.0	30.0
Chile	27.0	27.0	27.0	27.0	27.0
Costa Rica	30.0	30.0	30.0	30.0	30.0
Ecuador	25.0	25.0	25.0	25.0	25.0
El Salvador	30.0	30.0	30.0	30.0	30.0
United States	21.0	21.0	21.0	21.0	21.0
Guatemala	25.0	25.0	25.0	25.0	25.0
Mexico	30.0	30.0	30.0	30.0	30.0
Nicaragua	30.0	30.0	30.0	30.0	30.0
Panama	25.0	25.0	25.0	25.0	25.0
Peru	29.5	29.5	29.5	29.5	29.5
Dominican Republic	27.0	27.0	27.0	27.0	27.0

Table 21

(*) For the taxable year 2019, all of the companies in Colombia, of Grupo Nutresa have a taxable rate of 33%, including the companies that have signed legal tax stability contracts.

13.2 Tax assets and liabilities

Tax assets are presented in the Statement of Financial Position, under "other current assets" and “other non-current assets”. The balance, includes:

	March 2019	December 2018
Income tax and complementaries (1)	148,602	148,889
Equity tax	6,033	6,033
Sales tax	42,587	35,389
Other taxes	6,026	2,448
Total current tax assets	**203,248**	**192,759**
Claims in process (2)	11,752	11,768
Total non-current tax assets	**11,752**	**11,768**
Total tax assets	**215,000**	**204,527**

Table 22

(1) Income tax assets and complementaries, include auto-withholdings of $40,221 (2018: $9,894), credit balances of $80,465 (2018: $104,332), tax advances of $11,545 (2018: $26,404), tax rebates for $6,692 (2018: $1,252), and income tax withheld $9,679 (2018: $7,007).

(2) Grupo Nutresa has six (6) subsidiaries that signed legal stability contracts in 2009, with the Colombian government. One of the stabilized taxes was the equity tax, which, due to the tax authority's disposition, had to be declared and paid. However, there is a legal right to request a refund for the payment of the un-owed, in the amount of $49,486. Protected by Article 594-2 of the Tax Statute, which indicates that the tax obligations presented by those not obliged to declare, do not produce legal effects, in Judgment 05001-23-31-000-2012-00612-01 [21012], and 18636 of August 30, 2016. The claims for the payment of the not owed are advanced, remain pending to be resolved the value of $9,866, value classified as non-current assets, as it is expected to be resolved in a term superior to twelve months following the date of this report. On March 31, 2017, after the rejection of the first 2 installments of the equity tax, a decision was made to go to judicial proceedings, before the Administrative Litigation, in an effort to seek a resolution rights claimed. For the property tax installments from the third to the eighth, having obtained the admission of some refund requests, admission for all the applications corresponding to said quotas, is expected to obtain. At December 2018, Grupo Nutresa has recognized claims in the amount of $36,569.

The current taxes payable balances include:

	March 2019	December 2018
Income tax and complementaries	87,794	72,970
Sales tax payable	59,669	103,845
Withholding taxes, payable	22,289	28,782
Other taxes	16,780	23,244
Total	**186,532**	**228,841**

Table 23

The Group applies the laws with professional judgment, to determine and recognize the provision for current tax and deferred income, on its Consolidated Financial Statements. The final tax determination depends on the new regulatory requirements, the existence of sufficient taxable profit for the use of fiscal benefits, as the treatment of untaxed income, and special deductions, according to the current regulations and applicable, and the analysis of favorability probability of expert opinions. The Group recognizes liabilities, for anticipated tax audits, observed based on estimates, if correspondent to payment of additional taxes. When the final tax outcome of these situations is different, from the amounts that were initially recorded, the differences are charged to tax on current and deferred assets and liabilities, in the period in which this is determined.

13.3 Income tax expenses

Current income tax expenses are as follows:

	First Quarter	
	2019	2018
Income tax	43,888	42,910
Income tax surcharges	-	1,159
Total	**43,888**	**44,069**
Deferred taxes (*) (Note 13.4)	2,661	(5,479)
Total income tax expenses	**46,549**	**38,590**

Table 24

(*) The variation of the deferred ta primarily due to the following: the impact of the recalculation of exchange rate differences, which went decreased from 33% to 30%, and a change, introduced by Law 1943 of 2018. A new deferred tax is recognized to financial leases, there was a recognition of deferred income taxes, arising from the recognition of labor obligations and property, plant and equipment.

13.4 Deferred income tax

The breakdown of the deferred tax assets and liabilities, are as follows:

	March 2019	December 2018
Deferred tax assets		
Goodwill tax, TMLUC	127,125	133,723
Employee benefits	39,432	37,313
Accounts payable	9,179	9,153
Tax losses	143,588	134,380
Tax credits	7,495	7,306
Debtors	23,330	23,155
Right-of-use assets	211,651	-
Other assets	27,504	34,723
Total deferred tax assets (1)	**589,304**	**379,753**
Deferred tax liabilities		
Property, plant and equipment	330,666	331,247
Intangibles (2)	323,759	316,726
Investments	7,146	7,220
Inventories	2,193	2,721
Right-of-use liabilities	209,910	-
Other liabilities	40,686	46,849
Total income tax liabilities	**914,360**	**704,763**
Net deferred tax liabilities	**325,056**	**325,010**

Table 25

(1) The deferred tax asset is recognized and supported, on the basis that the Group has generating positive taxable income, and it is projected to generate future income sufficient to compensate tax credits and tax losses, from previous periods, prior to maturity, and obtain future tax benefits, for goodwill tax in Chile, employee benefits, as well as, items recognized in the deferred tax assets. Projections of annual taxable income and actual data, are reviewed to determine the impact and adjustments, on asset values, and their recoverability in future periods.

(2) The deferred tax liability, for intangibles, corresponds mainly to the difference in the amortized accounting and tax depreciation of the brands, and to the deferred tax, recognized in the Consolidated Financial Statement, in relationship to the goodwill from business combinations realized before 2013.

The temporary differences, related to the investments in subsidiaries, associates, and participation in joint ventures, for which no deferred tax liability have been recognized are $7,658,557 (2019) and $7,251,091 (2018), whose deferred tax liability would be $2,297,567 (2019) and $2,175,327 (2018).

The movement of deferred tax, during the period, was as follows:

	January-March 2019	January-December 2018
Opening balance, net liabilities	**325,010**	**287,895**
Deferred tax expenses, recognized in income for the period	2,661	24,901
Income tax relating to components, of other comprehensive income, net	421	-
Deferred taxes associated with components of other comprehensive income	(2,303)	4,872
Impact of variation in rates of foreign exchange	(733)	9,532
Other impacts	-	(2,190)
Final balance, net liabilities	**325,056**	**325,010**

Table 26

The income tax, relating to components of other comprehensive income, is determined by new measurements of benefit plans to employees of $236 (2018: $1,874), the participation in associates and joint ventures, accounted for by using *the Equity Method*, in the amount of $430 (2018: $1,434), and cash-flow hedges of $1,637 (2018: $1,576).

13.5 Effective tax rates

The theoretical tax rate is calculated using the weighted average of the tax rates, established in the tax regulations of each of the countries where the Grupo Nutresa subsidiaries operate. The theoretical rate decreases, due to the fact that until 2018, in Colombia, there was a liquidation of the tax surcharge, an impact that does not exist in 2019, according to that disposed in Law 1943 of 2018.

The recognition of deferred tax with a rate inferior to the current income tax rate, according to the future rate of income established in current Colombian regulations, impacts the effective rate for temporary differences, in the determination of the tax.

For its part, the effective tax rate is below the theoretical rate, primarily because of the permanent differences, that are generated from the tax treatment of the established effective norms, such as non-taxable dividends, the special real productive fixed-asset deductions, and the discount of industry and commerce. These decreases are offset, due to the accelerated amortization of intangibles and non-taxable expenses, as 50% tax burden, to the financial movement and the costs and expenses from previous periods.

Additionally, the liquidation of businesses abroad generated a loss, a taxable benefit that implies a major tax deduction.

In 2018, the effective tax rate was below the theoretical rate, primarily due to the following:

(1) The permanent differences, such as dividend income of the untaxable portfolio and the application of the norms, established in Colombia, such as the special deduction in real productive assets, whose impact in the effective tax rate is (4.28%) (2017: 5.24%).

(2) Changes in tax rates, approved in Law 1943 of 2018, which were diminished as of 2022, by 3 percentage points. This implies the necessity for the temporary differences, that are reversed, in some future and that were recognized at 33%, remain adjusted to the new future rate of 30%, causing an impact of (5.05%), in the effective rate.

The decreases, of the effective rate, herewith described, are offset by the accelerated amortization of the intangibles. The income tax, paid by Colombian companies, abroad, dictates that the following items, may not be discounted from taxes: tax discounts, non-deductible costs, such as 50% tax burden of the financial movements, cost and expenses of previous reporting, and the difference of the rate of donations, which previously was considered a deduction, but which decreased the tax rate to 33%, plus surcharge, and a discount of only 25%.

In 2018, there is no impact from the jurisdiction of the Controlled Foreign Companies (CFC), when the analysis of the Concepto General Unificado of the DIAN, of April 2018, which provides clarity of the interpretation and the application of this norm, it was determined that for the year 2018, there exists no fiscal obligation, from this jurisdiction.

The following is the reconciliation of the applicable tax rate and the effective tax rate:

	First Quarter			
	2019		2018	
	Value	%	Value	%
Accounting profit, before income taxes	**222,820**		**160,605**	
Applicable tax rate expenses	**69,865**	**31.08%**	**51,019**	**31.77%**
Untaxed portfolio dividends	(20,293)	-9.11%	(10,727)	-6.68%
Special deductions for real productive fixed assets	(2,514)	-1.13%	(609)	-0.38%
ICA Discount	(1,208)	-0.54%	-	0.00%
Amortization of intangibles	5,018	2.25%	(805)	-0.50%
Liquidation of investments	(8,211)	-3.69%	-	0.00%
Non-deductible expenses	3,151	1.41%	1,134	0.71%
Other tax impact	741	0.33%	(1,422)	-0.89%
Total tax expenses (Note 13.3)	**46,549**	**20.89%**	**38,590**	**24.03%**

Table 27

Information on current legal proceedings

- In August 2016, Chilean companies from the Tresmontes Lucchetti business, subsidiaries of Grupo Nutresa, received resolution of the Internal Revenue Service (SII) of Chile; in which said entity has objected to the tax on income, presented on the results of the fiscal year 2014, of those companies. The object of discussion in this resolution, is the tax benefit, according to the Law, and corresponds to corporate reorganizations realized, and that generate tax refunds requested. For the former, the Management of these companies in Chile presented, on August 24, 2016, the tax claim to the Tax and Customs Courts of Santiago de Chile, in accordance with the provisions of the Law.

- Industria de Alimentos Zenú S.A.S. and Alimentos Cárnicos S.A.S., Colombian subsidiaries of Grupo Nutresa, are in the process of discussions with the Directorate of National Tax and Customs (DIAN), for the unrecognized deduction for amortization of goodwill, generated in the acquisition of shares, of income of the taxable year 2011. The process in the Administrative Chamber has already been exhausted, therefore, the respective lawsuits were brought before the contentious administrative courts of Antioquia, and del Valle, respectively. The requests for monies in favor of the tax returns for the taxable year 2011, of these two companies, on the occasion of this discussion, were considered undue, by the DIAN, which generated a process for Industria de Alimentos Zenú S.A.S., in discussion in the administrative chamber, as well as for, Alimentos Cárnicos S.A.S., in judicial proceedings.

- Grupo Nutresa S.A. files a lawsuit for the lack of knowledge of deductions and compensation for tax losses, in tax returns for the taxable years 2008 and 2009. Due to lack of knowledge, the Administration rejected the rebates, in favor of those taxable years, which made the necessary lawsuit against the resolutions that decided the rejection.

The Administration of the Group considers that the resolution of previous situations will conclude in favor of the subsidiaries, with a base in the positions of the Legal Council.

Note 14. FINANCIAL OBLIGATIONS

14.1 Financial liabilities at amortized cost

Financial obligations, held by Grupo Nutresa, are classified as measured, by using *the amortized cost method*, and are based on the Group's Business Model. Book values, at the end of the reporting period, are as follows:

	March 2019	December 2018
Loans	2,644,164	2,503,609
Bonds (Note 14.2)	272,076	272,255
Financial leases	12,686	12,181
Total	**2,928,926**	**2,788,045**
Current	557,006	522,302
Non-current	2,371,920	2,265,743

Table 28

The financial obligations, mainly loans, taken out by Colombian companies, in dollars, incorporates adjustments, that increase the amortized cost, in the amount of $576, decreasing the value of the financial obligation (2018: $10,198 decreasing the value of the obligations), as a result of the measurement at fair value of hedging exchange rates, as described in Note 14.6, henceforth.

14.2 Bonds

Grupo Nutresa generated the issuance of a bond:

- In August 2009, an issue of corporate bonds took place in Colombia, through Fideicomiso Grupo Nutresa, which is managed by Alianza Fiduciaria S.A., the issuance was realized in the amount of $500,000, maturing in four tranches at 5, 7, 10, and 12 years, with interest payable quarterly, in arrears, and amortized to maturity of each coupon. In March of 2018, interest expenses were incurred in the amount of $5,723 (2018: $6,144). The emission has a balance at March of 2018, including accrued interest in the amount of $272,076 (2018: $272,255), and has the following characteristics:

Maturity	Interest Rate	March 2019	December 2018
2019	CPI + 5.33%	136,693	136,783
2021	CPI + 5.75%	135,383	135,472
Total		**272,076**	**272,255**

Table 29

14.3 Maturity

Period	March 2019	December 2018
1 year	557,006	522,302
2 to 5 years	2,358,739	2,251,476
More than 5 years	13,181	14,267
Total	**2,928,926**	**2,788,045**

Table 30

14.4 Balance by currency

Currency	March 2019		December 2018	
	Original Currency	COP	Original Currency	COP
COP	2,690,909	2,690,909	2,579,945	2,579,945
CLP	49,705,164,608	232,567	43,542,011,182	203,665
USD	1,716,624	5,450	1,364,871	4,435
Total		**2,928,926**		**2,788,045**

Table 31

Currency balances are presented, after currency hedging.

To evaluate the sensitivity of financial obligation balances, in relationship to variations in exchange rates, all of the obligations, as of March 31, 2019, that are in currencies other than the Colombian peso and that do not have cash flow hedges, are taken. A 10% increase in exchange rates, in reference to the dollar (COP/USD), would generate an increase of $341 in the final balance.

14.5 Interest rates

Changes in interest rates may impact the interest expense, for financial liabilities that are tied to a variable interest rate. For the Group, the interest rate risk is primarily attributable to operational debt, which includes debt securities, the issuance of bank loans, and leases. These are susceptible to changes in base rates, (CPI - IBR- DTF - TAB [Chile] - LIBOR), that are used to determine the applicable rates on bonds and loans.

The following table shows the structure of the financial risk due to exchange rates:

Rate	March 2019	December 2018
Variable interest rate debt	2,849,092	2,622,443
Fixed interest rate debt	79,834	165,602
Total	**2,928,926**	**2,788,045**
Average rate	**6.26%**	**6.33%**

Table 32

Rate	March 2019	December 2018
IBR indexed debt	1,027,624	979,505
DTF indexed debt	1,100,639	943,347
CPI indexed debt	488,076	495,809
TAB (Chile) indexed debt	231,699	203,710
LIBOR indexed debt	1049	72
PRIME indexed debt	5	-
Total debt at variable interest rate	**2,849,092**	**2,622,443**
Debt at a fixed interest rate	79,834	165,602
Total debt	**2,928,926**	**2,788,045**
Average rate	**6.26%**	**6.33%**

Table 33

To provide an idea of the sensitivity of financial expenses to interest rates, an increase of +100bp has been supposed, a scenario in which the annual interest expense, of the Group, would increase by $29,056 (2018: $30,527).

Following is information on the main reference rates, at the close of the period:

Closing rate	March 2019	December 2018
CPI	3.01%	3.18%
IBR (3 Months)	4.14%	4.14%
DTF EA (3 Months)	4.51%	4.54%
DTF TA (3 Months)	4.39%	4.42%
TAB (3 Months)	3.29%	3.24%
LIBOR (3 Months)	2.60%	2.81%
PRIME	5.50%	5.50%

Table 34

14.6 Derivatives and financial hedging instruments

Grupo Nutresa, on some occasions, resorts to borrowing in dollars, in order to secure more competitive interest rates, in the market, and uses derivatives to mitigate the risk of the exchange rate, in these operations. These derivatives are designated as accounting hedges, which implies that the fair value measurement of the derivative instrument is recognized as an adjustment, to the amortized cost of the financial obligation, designated as a hedged item. At March 31, 2019, hedged debt amounted to USD$21,341,542 (2018: USD$50,341,542).

In addition, Grupo Nutresa uses financial derivatives to manage and cover the cash flow positions against the US Dollar, in the different geographies, where it operates. These derivatives are not designated as hedge accounting, and are measured at fair value, and are included in the Statement of Financial Position, under the category of "other current assets" and "other current liabilities", respectively. The Group does not use derivative financial instruments for speculative purposes.

The following is a breakdown of the assets and liabilities from financial derivative instruments:

	March 2019		December 2018	
	Asset	Liability	Asset	Liability
Hedges				
Fair value of exchange rates on financial obligations	-	576	-	10,198
Fair value of exchange rates on suppliers	-	176	-	430
Fair value of exchange rates on cash flows	8,140	(4,756)	13,209	(3,940)
Total hedges derivatives	**8,140**	**(4,004)**	**13,209**	**6,688**
Non-designated derivatives				
Forwards and options on interest rates	-	(416)	-	(780)
Forwards and options on commodities	2,512	(472)	3,045	(858)
Total non-designated derivatives	**2,512**	**(888)**	**3,045**	**(1,638)**
Total derivative financial instruments	**10,652**	**(4,892)**	**16,254**	**5,050**
Net value of financial derivatives		***5,760***		***21,304***

Table 35

The valorization of non-designated derivative financial instruments, generated a loss in the Income Statement, in the amount of $448 (2018: $8,468), registered as part of the exchange difference of financial assets and liabilities.

The valorization of derivatives, to cover cash flow positions, generated an adjustment in other comprehensive income, in the amount of $6,864 (2018: $7,960)

All non-designated derivatives are measured at fair value, on a monthly basis, according to the Black Scholes Model. These items are classified in Level 2 of the hierarchy of fair value, established in IFRS 13.

14.7 Financial Expenses

The financial expenses recognized in the Income Statement, are as follows:

	First Quarter	
	2019	2018
Loans interest	37,993	51,100
Bonds interest	5,723	8,279
Interest from financial leases	87	42
Total interest expenses	**43,803**	**59,421**
Employee Benefits	4,042	4,102
Right-of-use financial expenses	15,588	-
Other financial expenses	9,155	8,438
Total financial expenses	**72,588**	**71,961**

Table 36

Note 15. RIGHT-OF-USE LIABILITIES

The balances of right-of-use liabilities, are as follows (see accounting policy 3.3.8):

	Total
First-time adoption	**929,017**
Acquisitions	4,012
Withdrawals	(182)
Interests	15,588
Exchange translation impact	(54)
Payments	(37,022)
Balance at March 31, 2019	**911,359**

Table 37

Note 16. TRADE AND OTHER ACCOUNTS PAYABLE

The balances of trade and other accounts payable, are as follows:

	March 2019	December 2018
Suppliers	543,492	625,349
Cost and expenses payable	280,127	354,654
Dividends payable (Note 19)	291,186	73,598
Payroll deductions and withholdings	32,540	41,517
Total	**1,147,345**	**1,095,118**
Current	1,147,187	1,094,960
Non-current	158	158

Table 38

Note 17. EMPLOYEE BENEFITS

The balance of liabilities, due to employee benefits, is as follows:

	March 2019	December 2018
Short-term benefits	**109,081**	**102,443**
Post-Employment benefits	**98,612**	**123,850**
Defined contribution plans	*11,865*	*36,464*
Defined benefit plans (Note 17.1)	*86,747*	*87,386*
Other long-term benefits (Note 17.2)	**127,980**	**114,576**
Total liabilities for employee benefits	**335,673**	**340,869**
Current portion	159,605	165,833
Non-current portion	176,068	175,036

Table 39

17.1 Pensions and other post-employment benefits

The reconciliation of the movements, of the defined benefit plans, is as follows:

	Pensions	Retroactive severance	Other defined benefit plans	Total
Present value of obligations at January 1, 2019	**19,138**	**14,507**	**53,741**	**87,386**
(+) Cost of services	68	100	1,677	**1,845**
(+) Interest expenses	314	227	1,528	**2,069**
(+/-) Actuarial gains and/or losses	-	1,061	(330)	**731**
(+/-) Others	-	-	(85)	**(85)**
(-) Payments	(473)	(2,005)	(2,562)	**(5,040)**
(+/-) Difference in exchange rate	(25)	-	(134)	**(159)**
Present value of obligations at March 31, 2019	**19,022**	**13,890**	**53,835**	**86,747**

Table 40

During the period, between January 1, 2019 and March 31, 2019, there were no significant changes in the main actuarial assumptions, used in the actuarial measurement of defined post-employment plans.

17.2 Other long-term employee benefits

The following is the reconciliation of movements of other long-term employee benefits:

	Seniority Premium	Other Long-term Benefits	Total
Present value of obligations at January 1, 2019	**74,305**	**40,271**	**114,576**
(+) Cost of services	1,742	11,592	**13,334**
(+) Interest expenses	1,378	599	**1,977**
(+/-) Actuarial gains or losses	(23)	686	**663**
(+/-) Others		(1)	**(1)**
(-) Payments	(2,414)	(72)	**(2,486)**
(+/-) Exchange rate differences	(10)	(73)	**(83)**
Present value of obligations at March 31, 2019	**74,978**	**53,002**	**127,980**

Table 41

17.3 Expenses for employee benefits

The amounts recognized, as expenses for employee benefits, were:

	First Quarter	
	2019	**2018**
Short-term benefits	**343,803**	**332,049**
Post-employment benefits	**32,506**	**31,588**
Defined contribution plans	30,661	29,804
Defined benefit plans	1,845	1,784
Other long-term employee benefits	**14,001**	**13,560**
Termination benefits	**8,306**	**5,468**
TOTAL	**398,616**	**382,665**

Table 42

Note 18. PROVISIONS

The following is the reconciliation of movements of other provisions:

	March 2019	December 2018
Restauration and dismantling (*)	5,899	-
Legal contingencies	1,828	1,895
Prizes and incentives	2,321	2,223
Others	2	-
Total	**10,050**	**4,118**
Current portion	4,149	4,118
Non-current portion	5,901	-

Table 43

(*) Corresponds to the provision, originated by the adoption of IFRS16

Note 19. DISTRIBUTION OF DIVIDENDS

The Assembly of Shareholders of Grupo Nutresa, at the ordinary meeting, held on March 26, 2019, declared ordinary share dividends of $51 (*), per share, and per month, equivalent to $612 (*) annually per share, (2018: $566.40 (*) annually per share), over 460,123,458 outstanding shares, during the months from April 2019 to March 2020, inclusive, for a total of $281,596 (2018: $260,614). In addition, dividends were issued to non-controlling interest owners of Setas de Colombia S.A., Helados Bon S.A., and Shadel Ltda., in the amount of $1,641 (2018: $1,363).

This dividend was declared, taken from untaxed income 2018, in the amount of $281,596.

During the First Quarter of 2019, dividends were paid in the amount of $65,648 (2018: $61,595).

At March 31, 2019, accounts payable, pending, are $291,186 and (December 2018: $73,598).

(*) In pesos colombianos.

Note 20. EXPENDITURE BY NATURE

Below is a detailed breakdown of cost and expenditures, by nature, for the period:

	First Quarter	
	2019	**2018**
Inventory consumption and other costs	904,905	832,567
Employee benefits (Note 17.3)	398,616	382,665
Other services (1)	174,084	151,524
Other expenses (2)	120,376	109,568
Transport services	80,153	77,630
Depreciation and amortization (5)	63,788	71,937
Right-of-use depreciation (3)	27,680	-
Manufacturing services	46,263	43,224
Seasonal services	41,993	49,395
Energy and gas	37,292	35,466
Advertising material	30,539	27,917
Maintenance	26,978	24,113
Taxes other than income tax	21,478	19,011
Leases (4)	15,150	55,315
Fees	14,802	16,918
Insurance	8,985	8,422
Impairment of assets	4,171	3,585
Total	**2,017,253**	**1,909,257**

Table 44

(1) Other services include: marketing, cleaning and surveillance, shelving and displays, food, events, and market polls, software, and storage.

(2) Other expenses include: spare parts, travel expenses, containers and packaging, fuels and lubricants, contributions and affiliations, commissions, taxis and buses, building supplies, stationery and office supplies, cleaning and laboratory supplies.

(3) Corresponds to the depreciation, generated by the right-of-use assets.

(4) This expense includes, in 2019, a lease that does not meet the criteria, established in IFRS 16, for recognition as a right-of-use asset, such as a short-term leases and smaller amounts.

(5) Expenses for depreciation and amortization, impacted profit and loss, for the period, is as follows:

	2019	**2018**
Cost of sales	39,283	39,063
Sales expenses	47,686	28,766
Administration expenses	3,726	3,444
Production expenses	773	664
Total	91,468	71,937

Table 45

Note 21. OTHER OPERATING INCOME (EXPENSES), NET

The following is a breakdown of other operating income (expenses), net:

	First Quarter	
	2019	2018
Indemnities and recuperations	920	1,916
Disposal and removal of property, plant and equipment and intangibles (*)	(175)	9,582
Fines, penalties, litigation, and legal processes	(568)	(1,226)
Donations	(746)	(4,853)
Other income and expenses	(1,567)	(477)
Total	**(2,136)**	**4,942**

Table 46

(*) In 2018, income was generated from the sale of real estate, in the amount of $4,441, buildings, in the amount of $2,209, and sales of machinery and equipment, in the amount of $2,704.

Note 22. EXCHANGE RATE VARIATION IMPACT

22.1 Reserves for translation of foreign operations

Grupo Nutresa's Consolidated Financial Statements include foreign subsidiaries, located mainly in Chile, Costa Rica, the United States, Mexico, Peru, Panama, and other Latin American countries that represent 39.61% to 37.51% of total consolidated assets in 2019 and 2018, respectively. The Financial Statements of these subsidiaries are translated into Colombian pesos, in accordance with the accounting policies of Grupo Nutresa.

The impact of exchange rates on the translation of assets, liabilities, and results of foreign subsidiaries in other comprehensive income is as follows:

		First Quarter	
		2019	2018
Chile	CLP	437	(92,854)
Costa Rica	CRC	(4,051)	(32,922)
United States	USD	(6,273)	(16,325)
Mexico	MXN	(2,189)	557
Peru	PEN	(2,789)	(21,884)
Panama	PAB	(2,191)	(5,810)
Others		(2,152)	(6,526)
Impact of exchange translation for the period		**(19,208)**	**(175,764)**
Equity reclassifications		(26,748)	-
Reserves for exchange translation, at beginning of the period		672,379	663,598
Reserves for exchange translation at the end of the period		**626,423**	**487,834**

Table 47

The translation of Financial Statements in the preparation of the Consolidated Financial Statements does not generate a tax impact.

The accumulated translation differences are reclassified to current earnings, partially or totally, when the operation is available abroad.

22.2 Differences in exchange rates from foreign currency transactions

The differences in exchange rates of assets and liabilities, recognized in profit and loss, are as follows:

	First Quarter	
	2019	2018
Realized	2,297	1,309
Unrealized	1,513	643
Operating exchange differences	**3,810**	**1,952**
Non-operating exchange differences	702	(2,666)
Total income (expenses) from exchange differences	**4,512**	**(714)**

Table 48

Note 23. EVENTS AFTER THE REPORTING PERIOD

In March of 2019, Grupo Nutresa S.A. entered into an agreement to acquire control of Atlantic FS S.A.S. ("AFS"), a Colombian company, dedicated to the distribution of food, within the institutional channel. Once the procedural paperwork is completed before the corresponding authorities, and the other conditions, for the closing of the business are met, Grupo Nutresa would have 51% of the shares of AFS. The amount of the transaction would be equivalent to, approximately, $42,000, which will be adjusted, at the closing date, of the business, based on the working capital and financial obligations of AFS.

First quarter results

As of the closing of the first quarter of 2019, Grupo Nutresa's total sales show positive growth dynamics both in Colombia and abroad. Consolidated sales amount to COP 2,2 trillion, representing a 6,7% increase with regard to the corresponding term in 2018.

In Colombia, Grupo Nutresa's sales had a positive performance, amounting to COP 1,4 trillion, which represent 62,7% of the total, with a growth of 4,6% in relation to the same period in 2018.

International sales in USD amount to USD 267,3 million, exhibiting a 0,8% growth and representing 37,3% of the total. When expressed in Colombian Pesos, these revenues stand at COP 837.572 million, that is 10,5% higher than those of the first quarter in 2018.

Consolidated gross profit amounts to COP 992.228 million, growing by 6,0% over the consolidated gross profit for the past year's first quarter. This is the result of increasing sales and higher costs of the imported commodities due to the depreciation of several currencies in Latin America against the US Dollar.

Thus, the operating profit amounted to COP 230.163 million, which is 14,0% greater than the equivalent profit for the first term of 2018.

In terms of profitability, the EBITDA totals COP 320.118 million, representing a 17,1% increase with regard to the same period of the previous year, with a margin on sales of 14,3%. This result is the product of actions focused on managing expenses in search for the constant improvement of Grupo Nutresa's productivity and operational efficiency.

For comparison purposes, it should be noted that, with the accounting standard formerly used, the operating profit growth would have stood at 9,3%, and the EBITDA growth would have reached 3,6%, with a margin of 12,6%.

Net post-operative expenses, which totaled COP 7.343 million, represent 0,3% of the Organization's sales and reflect the continuous reduction in financial expenses as a consequence of lower financial costs and lower overall debt over the past months.

Finally, and capturing the aforementioned highlights, the consolidated net profit amounts to COP 174.437 million, that is 44,3% higher than the first quarter of 2018. It is worth mentioning that in 2018 the dividends of our investment in Grupo Argos, which totaled COP 26.176 million, were officially declared in the second quarter, not in the first one as per usual. If such fact were omitted, Grupo Nutresa's net profit would present a growth rate of 18,6%.