Grupo Nutresa S. A.

Separate Interim Financial Statements for the Three-Month Period between January 1st and March 31st of 2017

(Unaudited Information)

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Grupo nutresa

Financial Position Statement

At March 31, 2017 and December 31, 2016 (Values expressed in millions of Colombian Pesos)
(Unaudited information)

	Notes	March 2017	December 2016
ASSETS			
Current assets			
Cash and cash equivalents		$ 37	$ 42
Trade and other receivables	7	59.353	18.098
Other assets		881	938
Total current assets		**$ 60.271**	**$ 19.078**
Non-current assets			
Trade and other receivables		2.969	2.972
Investments in subsidiaries	5	4.496.515	4.568.234
Investments in associated	6	136.688	138.652
Other financial non-current assets	7	3.938.241	3.809.367
Deferred tax assets		5.288	4.945
Other assets		6	7
Total non-current assets		**$ 8.579.707**	**$ 8.524.177**
TOTAL ASSETS		**$ 8.639.978**	**$ 8.543.255**
LIABILITIES			
Current liabilities			
Trade and other payables	9	253.231	80.968
Tax charges		324	188
Employee benefits liabilities		1.837	1.068
Total current liabilities		**$ 255.392**	**$ 82.224**
Non-current liabilities			
Trade and other payables		168	168
Employee benefits liabilities		14.798	14.413
Deferred tax liabilities		5.767	6.416
Total non-current liabilities		**$ 20.733**	**$ 20.997**
TOTAL LIABILITIES		**$ 276.125**	**$ 103.221**
SHAREHOLDER EQUITY			
Share capital issued		2.301	2.301
Paid-in-capital		546.832	546.832
Reserves and retained earnings		3.746.020	3.592.671
Other comprehensive income, accumulated		3.932.121	3.899.132
Earnings for the period		136.579	399.098
TOTAL SHAREHOLDER EQUITY		**$ 8.363.853**	**$ 8.440.034**
TOTAL LIABILITIES AND EQUITY		**$ 8.639.978**	**$ 8.543.255**

The notes are an integral part of the Separate Financial Statements.

CIGP.

Carlos Ignacio Gallego Palacio
President

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Grupo nutresa

Comprehensive Income Statement

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

	Notes	January-March 2017	January-March 2016
Operating revenue		$ 137.135	$ 152.163
Dividend portfolio	7	54.204	50.453
Share of profit for the period of subsidiaries	5	84.677	101.736
Share of profit for the period of associates and joint ventures	6	(1.746)	(26)
Gross profit		$ 137.135	$ 152.163
Administrative expenses		(1.189)	(706)
Exchange differences on operating assets and liabilities		-	(25)
Other operating income, net		20	101
Operating profit		$ 135.966	$ 151.533
Financial income		1	-
Financial expenses		(284)	(271)
Exchange differences on non-operating assets and liabilities		(2)	(3)
Income before taxes		$ 135.681	$ 151.259
Current income tax		(21)	(26)
Deferred income tax		919	221
Net profit for the year		$ 136.579	$ 151.454
Earnings per share (*)			
Basic, attributable to controlling interest (in Colombian Pesos)		**296,83**	**329,16**
(*)Calculated on 460,123,458 shares, which have not been modified during the period covered by these financial statements.			
OTHER COMPREHENSIVE INCOME, NET TAXES			
Items that are not subsequently reclassified to profit and loss:			
Investments measured at fair value	7	128.874	475.555
Total items that are not subsequently reclassified to profit and loss		$ 128.874	$ 475.555
Items that are or may be subsequently reclassified to profit and loss:			
Share of other comprehensive income of subsidiaries	5	(95.738)	(63.621)
Share of other comprehensive income of associates	6	(218)	235
Deferred income tax from items that will be reclassified		71	(267)
Total items that are or may be subsequently reclassified to profit and loss:		$ (95.885)	$ (63.653)
Other comprehensive income, after tax		$ 32.989	$ 411.902
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		$ 169.568	$ 563.356

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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	Retained earnings	Profit for the period	Other comprehensive income ,accumulated	Total equity
Equity at December 31, 2016	**2.301**	**546.832**	**3.592.671**	**-**	**399.098**	**3.899.132**	**8.440.034**
Profit for the period					136.579		136.579
Other comprehensive income for the period						32.989	32.989
Comprehensive income for the period	**-**	**-**	**-**		**136.579**	**32.989**	**169.568**
Transfer to accumulated results				399.098	(399.098)		-
Cash dividends (Note 9)			(2.761)	(242.945)			(245.706)
Appropriation of reserves			156.153	(156.153)			-
Tax on wealth (Note 8)			(43)				(43)
Equity at March 31, 2017	**2.301**	**546.832**	**3.746.020**	**-**	**136.579**	**3.932.121**	**8.363.853**
Equity at December 31, 2015	**2.301**	**546.832**	**1.836.225**	**1.558.597**	**427.096**	**3.638.937**	**8.009.988**
Profit for the period					151.454		151.454
Other comprehensive income for the period						411.902	411.902
Comprehensive income for the period	**-**	**-**	**-**		**151.454**	**411.902**	**563.356**
Transfer to accumulated results				427.096	(427.096)		-
Cash dividends (Note 9)			(6.428)	(222.713)			(229.141)
Appropriation of reserves			1.762.980	(1.762.980)			-
Tax on wealth (Note 8)			(106)				(106)
Equity at March 31, 2016	**2.301**	**546.832**	**3.592.671**	**-**	**151.454**	**4.050.839**	**8.344.097**

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Cash-flow Statement

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

	January-March 2017	January-March 2016
Cash flow from operating activities		
Dividends received	$ 71.487	$ 48.720
Dividends paid (Note 9)	(57.086)	(52.986)
Collection from sales of goods and services	-	101
Payments to suppliers for goods and services	(993)	(58)
Payments to and on behalf of employees	(916)	(2.061)
Income taxes, (paid) refunded	-	(12)
Other inflows of cash	3.995	6.497
Net cash flow from operating activities	**$ 16.487**	**$ 201**
Cash flow from investment activities		
Purchases of equity of associates and joint ventures (Note 6)	(16.217)	-
Interest received	1	-
Other inflows of cash	10	29
Net cash used in (from) investment activities	**$ (16.206)**	**$ 29**
Cash flow from financial activities		
Interest paid	(284)	(271)
Net cash flow used in financial activities	**$ (284)**	**$ (271)**
Decrease of cash and cash equivalents from operating activities	**$ (3)**	**$ (41)**
Net foreign exchange differences	(2)	(3)
Net decrease of cash and cash equivalents	**(5)**	**(44)**
Cash and cash equivalents at the beginning of the period	42	66
Cash and cash equivalents at the end of the period	**$ 37**	**$ 22**

The notes are an integral part of the Separate Financial Statements..

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Notes for the Condensed Separate Interim Financial Statements

For the three-month interim period, between January 1st and March 31st of 2017 and 2016, except for the Statement of Financial Position, which is presented, for comparison purposes, at December 31, 2016.
(Values are expressed as millions of Colombian Pesos, except for the values in foreign currency, exchange rates, and number of shares).

Note 1. CORPORATE INFORMATION

1.1 Entity and corporate purpose of Parent Company and subsidiaries

Grupo Nutresa S. A., (hereinafter referred to as: Grupo Nutresa, the Company, or Nutresa, indistinctly) a corporation of Colombian nationality, incorporated on April 12, 1920, with its headquarters in the City of Medellin, Colombia; its 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.

The Company is the Parent of Grupo Nutresa, constitutes an integrated and diversified food industry group that operates mainly in Colombia and Latin America.

Note 2. BASIS OF PREPARATION

Grupo Nutresa S.A. condensed separate interim financial statements, for the interim period between January 1st and March 31st of 2017, were prepared in accordance with the International Financial Reporting Standards (hereinafter IFRS), issued by the International Accounting Standards Board, (hereinafter IASB), and interpretations issued by the International Financial Reporting Interpretations Committee (hereinafter IFRIC), and approved in Colombia through Decree 2784 of 2012, Decree 3023 of 2013, Decree 2420 of 2015, their regulations, and other accounting standards, issued by the Financial Superintendence of Colombia.

The Separate financial statements are prepared in accordance with IAS 27, Grupo Nutresa S.A., as the Parent Company, presents the Separate financial statements available on our website: www.gruponutresa.com.

2.1 Basis of measurement

The Condensed Separate Financial Statements, for the quarterly period ended March 31, 2017, have been prepared in accordance with IAS 34 Interim Financial Reporting, and therefore, do not include all information and disclosures required for Annual Financial Statements

The Condensed Separate 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 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".

2.2 Functional and presentation currency

The financial statements are presented in Colombian Pesos, which is both the functional and presentation currency of Grupo Nutresa S.A. These figures are expressed as millions of Colombian Pesos, except for net earnings per share and the representative market exchange rates, which are expressed as Colombian Pesos, and other currencies [E.g. USD, Euros, Pounds Sterling, among others], which are expressed as monetary units.

2.3 Classification of items in current and non-current

Grupo Nutresa S.A. presents assets and liabilities in the Statement of Financial Position, classified as current and non-current. An asset is classified as current when the entity: expects to realize the asset, or intends to sell or consume within its normal operating cycle, holds the asset primarily for 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

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Note 3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in preparing the condensed separate Financial Statements, for the interim period between January 1st and March 31st of 2017, are consistent with those used in preparing the annual Financial Statements prepared as of December 31, 2016, under the International Financial Reporting Standards, approved in Colombia.

Grupo Nutresa applies the following significant accounting policies in preparing its condensed separate Financial Statements:

3.1 Investments in subsidiaries

A subsidiary is an entity controlled by one of the companies that make up Grupo Nutresa S.A. Control exists when any of the Group companies has the power to direct the relevant activities of the subsidiary, which are generally: the operating activities and the financing to obtain benefits from its activities, and is exposed, or has rights, to those variable yields.

Investments in subsidiaries are measured in the Separate financial statements of Grupo Nutresa S.A., using *the equity method* according to the established regulations in Colombia, under which the investment is initially recorded at cost, and is adjusted with the changes in participation of Grupo Nutresa, over the net assets of the subsidiary after the date of acquisition minus any impairment loss of the investment. The losses of the subsidiary that exceed Grupo Nutresa's participation in the investment, are recognized as provisions, only when it is probable that there will be an outflow of economic benefits and there is a legal or implicit obligation.

3.2 Investments in associates and joint ventures

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

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

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

Investments in associates or joint ventures are measured in the Separate 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 S.A., over the net assets of the associate or joint venture after the date of acquisition minus 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 made to homologize the accounting policies of the associate or joint venture with those of Grupo Nutresa S.A., the portion that corresponding to Grupo Nutresa of profit and loss obtained from the measurement of at fair value at the date of acquisition is incorporated into the financial statements, and gains and losses from transactions between Grupo Nutresa S.A. 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 portion of profit and loss of an associate or joint venture is presented in the statement of comprehensive income, in the results section for the period, net of taxes and non-controlling interest in the subsidiaries of the associate or joint venture. The portion of changes recognized directly in equity and other comprehensive income of the associate or joint venture is presented in the statement of changes in equity and other comprehensive income. Cash dividends received, from the associate or joint ventures, are recognized by reducing the carrying value of the investment.

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

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

3.3 Foreign currency

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

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

These items and their tax impact are recognized in other comprehensive income until disposal of the net investment, at which time are recognized in profit and loss.

3.4 Cash and cash equivalents

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

3.5 Financial instruments

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

At initial recognition, Grupo Nutresa S.A. 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, on specific dates, cash flows that are solely for payments of principal and interest on the value of outstanding capital. Notwithstanding the foregoing, Grupo Nutresa S.A. designates a financial asset as irrevocably measured at fair value through profit and loss.

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.

(ii) *Financial assets measured at fair value*

The financial assets, different from those measured at amortized cost are subsequently measured at fair value, with changes recognized in profit and loss. However, for investments in equity instruments that are not held for trading purposes, Grupo Nutresa S.A. irrevocably chooses to present gains or losses on the fair value measurement in “Other comprehensive income”. Upon disposal of investments at fair value, through “Other comprehensive income”, the accumulated value of the OCI is transferred directly to retained earnings and are not reclassified to profit and loss, in that period. Cash dividends received from these investments are recognized in the Comprehensive Income Statement, in the profit and loss of that period.

The fair values of quoted investments are based on the valid quoted prices.

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

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

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

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

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

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

(iv) *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, it 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, in profit and loss.

(v) *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 risks.

(vi) *Off-setting financial instruments*

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

3.6 Taxes

This heading 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 the countries where Grupo Nutresa operate.

a) Income tax

(i) Current

Current assets and liabilities, generated from the income tax, for the period, are measured by the values expected to be recovered or paid to the taxation authorities. Expenses for income tax is recognized under current tax, in accordance with the tax clearance, between taxable income and accounting profit and loss, impacted by the rate of income tax in the current year, in accordance with the effective tax rules in Colombia. Taxes rates and tax norms or laws used to compute these values are those that are approved at the end of the reporting period, over which it is reported.

(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 in and 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.

The 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 are 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.

b) Income tax for equity - CREE

The income tax for equity – CREE, is the tax with which taxpayers, legal entities, and assimilated filers of income taxes, contribute to employee benefits, creation of employment, and social investment.

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

The income tax for equity – CREE applies a fee of 9% under the Law 1739 December 2014.

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

With the issuance of Law 1819 of December 29, 2016, the income tax for equity – CREE, and the temporary surtax for 2017 and 2018 is waived; and the new income tax rates are determined.

c) Tax on wealth

The tax burden of the "wealth tax" is originated, from possession of the same to the January 1st of the years 2015, 2016, and 2017, by taxpayers. Therefore, those taxpayers with gross assets minus debts, whose value exceeds $1.000, should determine their tax under the conditions established in the tax regulations.

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

3.7 Employee benefits

a) Short-terms benefits

They 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, to 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 (12) 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

- **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.

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

Updates of the liability for actuarial gains and losses are recognized in the Statement of Financial Position, against retained earnings through "Other comprehensive income". These items will not be reclassified to 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.

3.8 Provisions, contingent liabilities and assets

a) Provisions

Provisions are recognized when, as a result of a past event, Grupo Nutresa S.A. has a present legal or constructive obligation to a settlement, and requires an outflow of resources, 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 statement of comprehensive income, net result of all reimbursement. The increase in the provision, due to the passage of time, is recognized as interest expense.

b) Contingent liabilities

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

c) Contingent assets

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

3.9 Revenue

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

The specific recognition criteria listed below must also be met for revenue to be recognized:

a) Services

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

b) Interest

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

c) Dividend income

This revenue is recognized when Grupo Nutresa's right to receive payment is established, which is generally when the shareholders approve the dividend, except when the dividend represents a recovery of investment costs. Dividend income is not recognized, when payment is made to all shareholders, in the same proportion in shares of the issuer.

3.10 Fair Value

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

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 Company can access at the measurement date (level 1).
- Based on valuation techniques commonly used by market participants using variables other than the quoted prices that are observable for the asset or liability, either directly or indirectly (level 2).
- Based on internal discount cash flow techniques or other valuation models, using estimated variables by Grupo Nutresa S.A. 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 affect the reported fair value of financial instruments.

3.11 Earnings per share

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

The average number of shares outstanding, for the periods ended March 31, 2017 and 2016, is 460.123.458.

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

3.12 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 prosecuted depending on the particular circumstances in which they are produced. The size or nature of the item, or a combination of both, could be the determining factor.

3.13 New accounting pronouncements on International Financial Reporting Standards

3.13.1 New standards, modifications and interpretations incorporated into the accounting framework accepted in Colombia, whose application must be assessed beyond January 1, 2017, or that can be applied in advance

The Decrees 2496 of December 24, 2015 and 2131 of December 22, 2016, introduced to the technical framework norms of financial information, new standards, modifications, or amendments or impacts by the IASB to the International Financial Reporting Standards between the year (s) 2015 and 2016, to evaluate its application in financial years beginning later than January 1, 2017, although its application could be made in advance. The standards issued or amended, are as listed below:

- IFRS 9 "Financial Instruments"
- IFRS 15 "Income from client contracts"
- IAS 16 "Property, plant and equipment", IAS 38 - "Intangibles assets"
- IAS 16 "Property, plant and equipment", IAS 41 - "Agriculture"

- IAS 7 "Cash-Flows Statement"
- IAS 12 "Income tax"
- Annual Improvements to IFRS, 2012-2015 Cycle

3.13.2 New standards, amendments, and interpretations issued by the International Accounting Standards Board (IASB) that have not been incorporated into the accounting framework accepted in Colombia

In January 2016, IFRS 16- Leases were issued, replacing IAS 17- Leases, and their corresponding interpretations. This standard has not been included in the accounting framework, accepted in Colombia. Management is evaluating the impact of adopting IFRS 16 in Grupo Nutresa, in its Statement of Financial Position and disclosures.

Note 4. JUDGMENTS, ESTIMATES, AND SIGNIFICANT ACCOUNTING ASSUMPTIONS

The preparation of Grupo Nutresa's financial statements requires that management must make judgments, accounting estimates, and assumptions that impact the amount of revenue and expenses, assets and liabilities, and related disclosures, as well as, the disclosure of contingent liabilities at the close of the reporting period. In this regard, the uncertainty of assumptions and estimates could impact future results that could require significant adjustments to the carrying amounts recorded in books 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 separate financial statements:

- Assessment of the existence of impairment indicators for assets
- Assumptions used in the actuarial calculation of post-employment and long-term obligations with employees
- Suppositions used to calculate the fair value of financial instruments
- Recoverability of deferred tax assets
- Determination of control, significant influence, or joint control over an investment

Judgments and estimates used by the management of Grupo Nutresa, in preparation of the Condensed Financial Statements for the three-month period between January 1st and March 31st, 2017, do not differ significantly from those realized at the yearend close of the previous period, that is, December 31, 2016

Note 5. INVESTMENTS IN SUBSIDIARIES

Detailed below, are the book values of the subsidiaries of Grupo Nutresa S.A., to the date of the period, over which is reported:

		Book Value		January-March 2017			January-March 2016		
	% participation	March 2017	December 2016	Dividends received	Share of Income For The Period	Share of Other Comprehensive Income	Dividends received	Share of Income For The Period	Share of Other Comprehensive Income
Cía. de Galletas Noel S.A.S.	100%	1.148.041	1.162.078	-	24.855	(38.891)	-	25.698	(26.093)
Compañía Nacional de Chocolates S. A. S.	100%	1.007.973	1.001.328	-	22.668	(16.023)	-	7.342	(21.143)
Tropical CoffeeCompany S.A.S.	100%	17.015	16.603	-	430	(19)	-	616	(45)
Industria Colombiana de Café S.A.S.	100%	588.967	616.439	(23.385)	4.686	(8.773)	(8.754)	16.748	(3.301)
Industria de Alimentos Zenú S.A.S.	100%	194.865	209.705	(19.220)	4.621	(241)	-	7.456	(3.373)
Litoempaques S.A.S.	100%	21.430	21.882	-	(409)	(44)	-	(442)	(96)
Meals Mercadeo de Alimentos de Colombia S.A.S.	100%	222.526	227.740	-	(3.275)	(1.939)	-	3.347	(2.425)
Molino Santa Marta S.A.S.	100%	80.264	79.687	-	789	(212)	-	742	(516)
Novaventa S.A.S.	93%	114.042	107.689	-	6.646	(292)	-	4.531	(542)
Pastas Comarrico S.A.S.	100%	24.819	24.711	-	154	(46)	-	369	(115)
Productos Alimenticios Doria S.A.S.	100%	128.298	127.451	-	2.167	(1.320)	(10.638)	398	(1.231)
Alimentos Cárnicos S.A.S.	100%	746.959	755.603	-	18.580	(27.224)	(17.716)	25.815	(3.367)
Setas Colombianas S.A.	94%	44.779	46.477	(2.438)	857	(117)	(1.621)	904	(264)
Compañía Nacional de Chocolates Perú S.A.	0,0%	10	10	-	-	-	-	-	-
La Recetta Soluciones Gastronómicas Integradas S.A.S.	70%	1.287	1.166	-	125	(4)	-	(5)	(3)
Alimentos Cárnicos Zona Franca Santa Fe S.A.S.	100%	5.552	5.554	-	(2)	-	-	(680)	(2)
Gestión Cargo Zona Franca S.A.S.	100%	56.348	53.667	-	2.809	(128)	-	5.179	(322)
Comercial Nutresa S.A.S.	100%	27.448	28.296	-	(617)	(231)	-	3.824	(410)
Industrias Aliadas S.A.	83%	64.572	78.681	(15.614)	1.694	(189)	-	3.689	(373)
Opperar Colombia S.A.S.	100%	913	846	-	67	-	-	478	-
Servicios Nutresa S.A.S.	100%	191	2.356	-	(2.134)	(31)	-	(4.238)	-
Fideicomiso Grupo Nutresa	100%	216	265	-	(34)	(14)	-	(35)	-
Total		**4.496.515**	**4.568.234**	**(60.657)**	**84.677**	**(95.738)**	**(38.729)**	**101.736**	**(63.621)**

Table 1

There were no changes in the shareholdings between December 2016 and March 2017. Dividends received in subsidiaries are recognized, as a lower value of the investment, as part of the application of the equity method.

Note 6. INVESTMENT IN ASSOCIATES

The following is a breakdown of the investments over which Grupo Nutresa S.A. has significant influence, and which are classified as associates:

			Book Value		January-March 2017		January-March 2016	
	Country	% participation	March 2017	December 2016	Share of Income For The Period	Share of Other Comprehensive Income	Share of Income For The Period	Share of Other Comprehensive Income
Associates								
Bimbo de Colombia S.A.	Colombia	40%	130.649	132.627	(1.760)	(218)	111	235
Estrella Andina S.A.S.	Colombia	30%	6.039	6.025	14	-	(137)	-
Total associates			**136.688**	**138.652**	**(1.746)**	**(218)**	**(26)**	**235**

Table 2

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

Estrella Andina S. A. S.
Estrella Andina S.A.S. is a simplified joint stock company, engaged in the marketing of ready-made meals in the cafeterias, in which Nutresa has a 30% stake. Alsea has the other 70%.

The movements of investments in associates, for the period ended March 31st of 2017, are as follows:

	2017
Opening balance at January 1st	**138.652**
Participation in profit and loss	(1.746)
Participation in comprehensive income	(218)
Balance at March 31st	**136.688**

Table 3

In January 2017, a payment was realized in the amount of $16.217, corresponding to the balance payable, from the capitalization realized in 2016, to Bimbo de Colombia S.A.

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 7. OTHER NON-CURRENT FINANCIAL ASSETS

Grupo Nutresa classified portfolio investments that are not held for trading as financial instruments measured at fair value through other comprehensive income.

The results for the period include income from dividends on these instruments, and which 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. "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 2017	December 2016
Grupo de Inversiones Suramericana S.A.	59.387.803	12,66%	2.320.875	2.268.614
Grupo Argos S.A.	79.804.628	12,36%	1.615.246	1.538.633
Other societies			2.120	2.120
			3.938.241	**3.809.367**

Table 4

	January-March 2017		January-March 2016	
	Dividend Income	Profit on Fair Value Measurement	Dividend Income	Profit on Fair Value Measurement
Grupo de Inversiones Suramericana S.A.	28.981	52.261	27.081	213.796
Grupo Argos S.A.	24.740	76.613	22.904	261.759
Other societies	483	-	468	-
	54.204	**128.874**	**50.453**	**475.555**

Table 5

The value of the dividend per share decreed for 2017, by this issuance was $310 (pesos) and $488 (pesos), per year, per share, corresponding to Grupo Argos S.A. and Grupo de Inversiones Suramericana S.A., respectively. Grupo Argos S.A. will pay quarterly dividends, in the amount of $77,5 (pesos), and Grupo de Inversiones Suramericana S.A. will pay the dividends, in full, on April, 2017, in cash or in preferred shares, at the choice of the investor. As a result of this, 805.638 preferred shares were received on April 21, 2017, which have been classified as, "Financial instruments measured at fair value through profit or loss".

For 2016, the annual value, per share, was $287 (pesos), ($71,75 pesos per quarter), for Grupo Argos S.A., and $456 (pesos) ($ 114 pesos per quarter) for Grupo de Inversiones Suramericana S.A.

Dividend income recognized in March 2017 and 2016, for portfolio investments, corresponds to the total annual dividend declared by the issuers, and no similar income for the remainder of the year is expected.

Trade and other receivables as of March 31, 2017 amount to $59.353 (December 2016 - $18.098), and include Dividend Portfolio of $54.204 (December 2016 - $12.496), and dividends from subsidiaries of $2.438 (December 2016 - $772).

7.1 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.

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 techniques used.

7.2 Liens

At March 31, 2017, there were pledges for 36.875.000 (December 2016 – 36.875.000) 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

Note 8. TAX ON WEALTH

In accordance with that established in Article 6 of Law 1739 of 2014, which adds Article 297-2 of the tax statute, the causation of wealth tax is realized on January 1st of the years 2015, 2016, and 2017, and may be charged to equity reserves, without affecting net income, in accordance with Article 10 of the same law. At March 31, 2017, such were recognized in reserves at disposal to the highest social organ in the amount of $43, of (2016 - $106).

Note 9. DISTRIBUTION OF DIVIDENDS

The ordinary Shareholders of Grupo Nutresa S.A., at the meeting, held on March 29, 2017, declared ordinary share dividends of $44,5 per-share and per-month, equivalent to $534 annually per share (2016 - $498 annually per share), over 460.123.458 outstanding shares, during the months from April 2017 to March 2018, inclusive, for a total of $245.706 (2016 – $229.141).

This dividend was declared by taking from net income of 2016 a value of $242.945 and from untaxed occasional reserves for $2.761. In addition, it was decreed to transfer the remaining value of the profits of 2016 $156.153 to the reserve for future investments.

Between January and March 2017, dividends, in the amount of $57.086 (2016 – $52.986), were paid.

Trade and other payable at March 31, 2017 for $ 253.231 (December 2016 - 80.968) include dividends payable in the amount of $ 252.653 (December 2016 - $ 64.033) for this concept.

Note 10. EVENTS AFTER THE REPORTING PERIOD

These Condensed Separate Interim Financial Statements were authorized for issuance by the Board of Grupo Nutresa on April 28, 2017. There are no significant events after the closing of the Financial Statements, and up until the date of its approval, that might significantly impact Grupo Nutresa's Financial Position, reflected in these Financial Statements at closing, March 31, 2017.