Annual and Sustainability Report 2012

Grupo nutresa

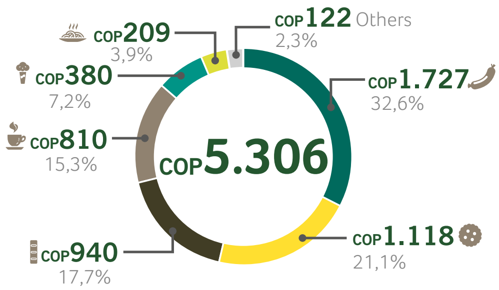
INCREASING VALUE GENERATION

Consolidated sales
COP 5,31 trillion

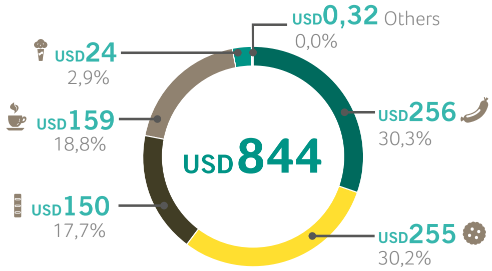
Consolidated EBITDA
COP 671 billion

EBITDA margin
12,65%

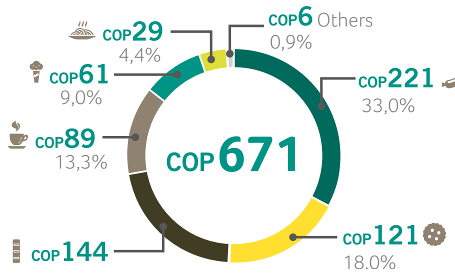
SALES BY BUSINESS 2012
COP Billion

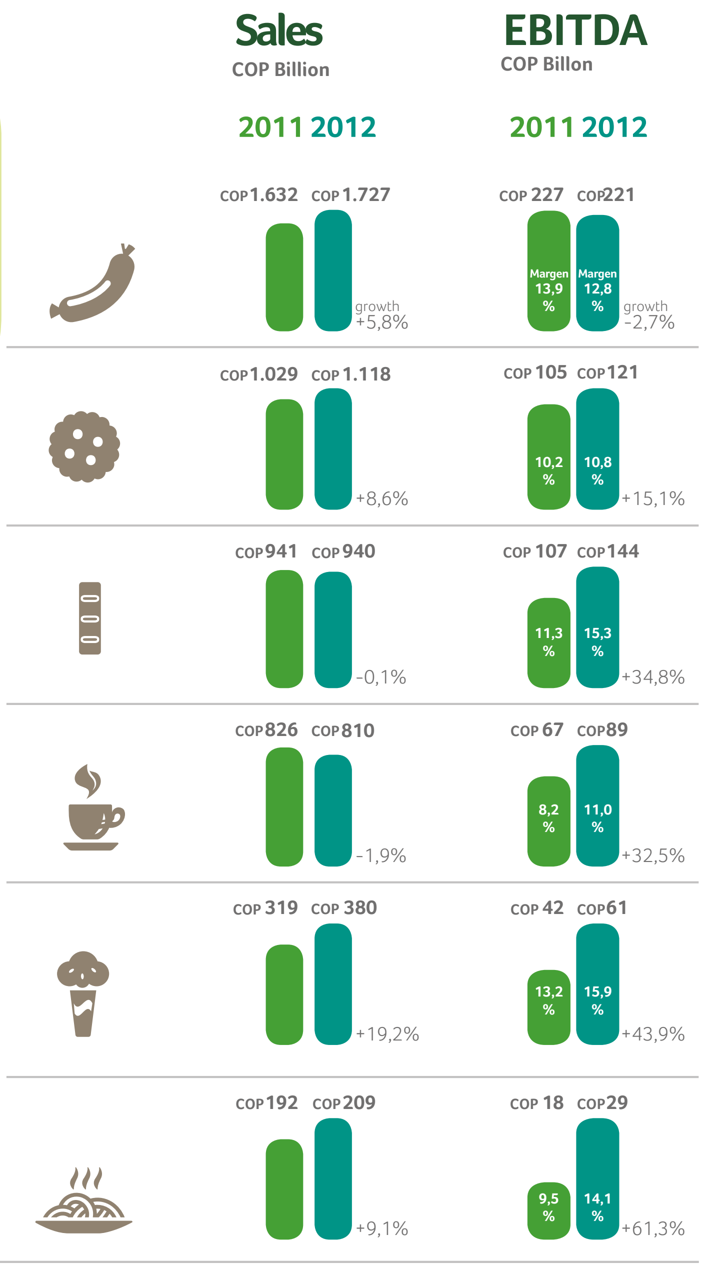


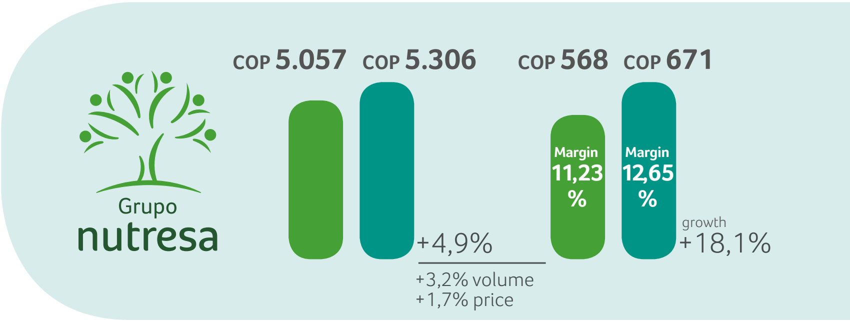
INTERNATIONAL SALES
USD Million



EBITDA BY BUSINESS 2012
COP Billion







CARATULA NUTRESA INGLES

PRESENCE, SALES AND BRANDS

%

Global sales

70 countries

Production and distribution

9 countries

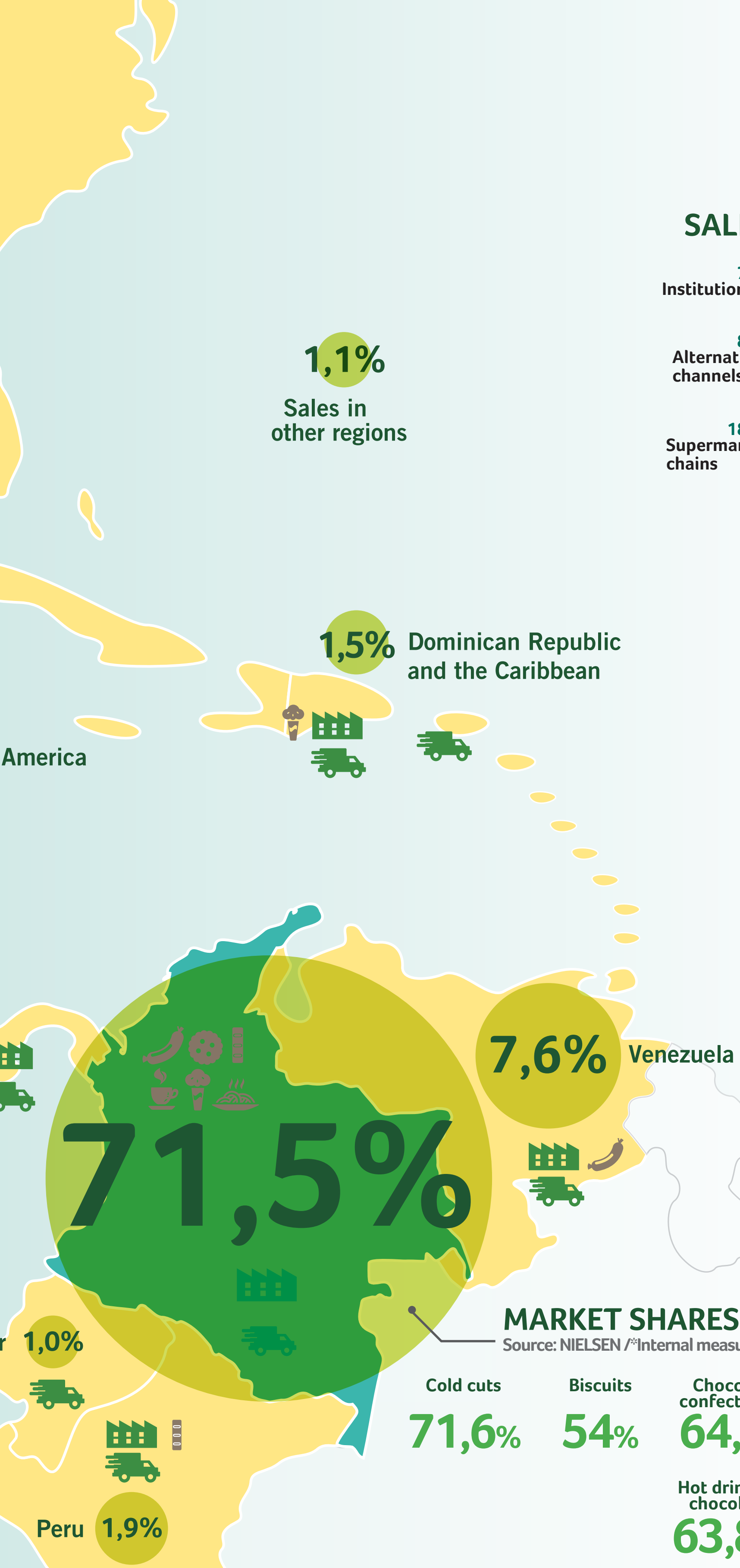
Distribution

13 countries

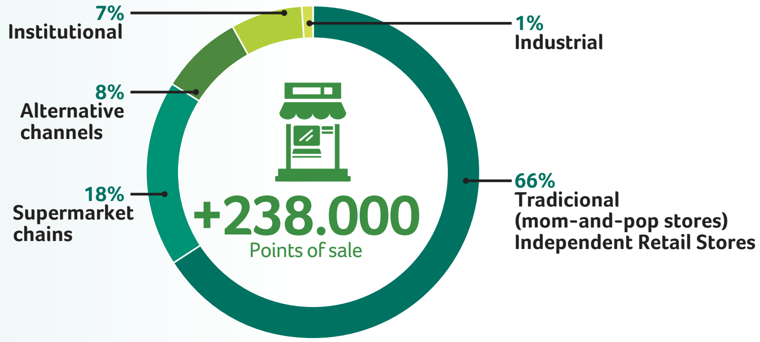
MEGA BRANDS

nutresa

Zenú · Noel · Crem Helado · Colcafé · Doria · Festival · Jet · Choco Listo · Pietrán · Tosh



SALES BY CHANNEL IN COLOMBIA



+344.000
Points of sale abroad

EMPLOYEES

Direct employees and other forms of hiring

24.204
Colombia

7.446
Abroad

MARKET SHARES IN COLOMBIA

Source: NIELSEN /*Internal measurement ice cream business

Cold cuts	71,6%
Biscuits	54%
Chocolate confectionery	64,5%
Ground coffee	57,5%
Ice cream*	77,1%
Pastas	50,7%
Hot drinking chocolate	63,8%
Instant coffee	41,4%
Milk modifiers	28,3%
Nuts	48,3%

FOR A BETTER SOCIETY

Our People

Employees

	2011		2012
Employees	30.158		31.650
Investment COP million			
Life Quality	38.292	↓	37.460
Education, Formation and Training	10.779	↓	9.689
Subsidies	7.441	↑	9.772
Investment in Mutual Funds	5.389	↑	5.780

Community management

Nutrition, Education, Income Generation and Entrepreneurship, Support of the Arts and Culture, and Client and Supplier Development

	2011		2012
Investment COP millones	13.660	↑	13.801
Entities Benefitted	4.482	↑	10.172*
Beneficiaries	3.416.008	↓	3.257.179
Volunteer Actions	7.150	↑	9.535
Client and Supplier Value Chain	164.741	↓	129.510
Satisfaction Indicator in Clients Abroad	4,39	↓	4,33

*Includes the entities indirectly benefitted by Food Banks.

OUR PLANET

Investment in environmental management

2011		2012
COP 11.913 million	↑	COP 12.631 million

Direct greenhouse gas (GHG) emissions

2011		2012
COP 113,9 (kg CO_2 eq./t.p.)	↓	COP 110,2* (kg CO_2 eq./t.p.)

*Decrease over 2010: 5,3%

t.p.: ton produced

Utilization of resources

	2011		2012
Energy consumption (kWh/t.p.): Energy from non – renewable sources + electricity	-4,5%*	↓	-7,7%*
Water consumption (m^3/t.p.)	-3,9%*	↓	-10,9%*

*Reduction Compared to 2010

CONTENT

Dow Jones Sustainability Indexes
Member 2012/13

THE GLOBAL COMPACT
WE SUPPORT

The CEO Water Mandate

GRUPO NUTRESA ON THE DOW JONES SUSTAINABILITY WORLD INDEX, FOR THE SECOND CONSECUTIVE YEAR

For the second consecutive year, *Grupo Nutresa* is part of the nine leading companies in corporate sustainability in the food sector, by being included in the Dow Jones Sustainability World Index (DJSI) 2012. This assessment is made among more than 2.500 companies from 58 sectors worldwide. Being part of this Index means being recognized for taking advantage of the opportunities and managing the risks derived from economic, social and environmental development, in a management that generates value for its stakeholders.

GRUPO NUTRESA JOINS THE UNITED NATIONS CEO WATER MANDATE

We wish to highlight *Grupo Nutresa's* adherence to the United Nations CEO Water Mandate, as a sign of the great commitment we have to the optimal use of water. We are the first real–sector company in Latin America to form part of this initiative and we have been invited to form part of its governing body, the Mandate Steering Committee.

GLOBAL REPORTING INITIATIVE G3.1 AND FOOD PROCESSING SUPPLEMENT

Since 2011, *Grupo Nutresa* has used the Global Reporting Initiative (GRI) G3.1 Guideline and Food–Sector Supplement. According to this organization, the Report complied with the maximum level of application in sustainability issues, A+.

OUR CORPORATE MODEL

STRATEGY FOR OUR FIRST CENTURY 1920–2020

Our 100th Anniversary strategy is aimed at reaching **COP10 Trillion* in sales** by 2020, within a sustained level of profitability. (EBITDA margin between 12% and 14%).

We offer our consumers **well-known and best-loved brands of food products,** that deliver well-being, nutrition, enjoyment, **outstanding value for money** and are **widely available within our strategic region.** Achieved by **talented, innovatine, committed and responsible people, who contribute to sustainable development.**

**Through organic growth*

2005–2015 MULTI–LATIN VISION OF *GRUPO NUTRESA*

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

**With sustained profitability between 12% and 14% of the EBITDA margin*

MISSION

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

* Through organic growth

STRATEGIC OBJECTIVES FOR 2020

PROFITABLE GROWTH

Sales
COP 10 Trillion
(Does not include acquisitions)

EBITDA Margin
12% - 14 %

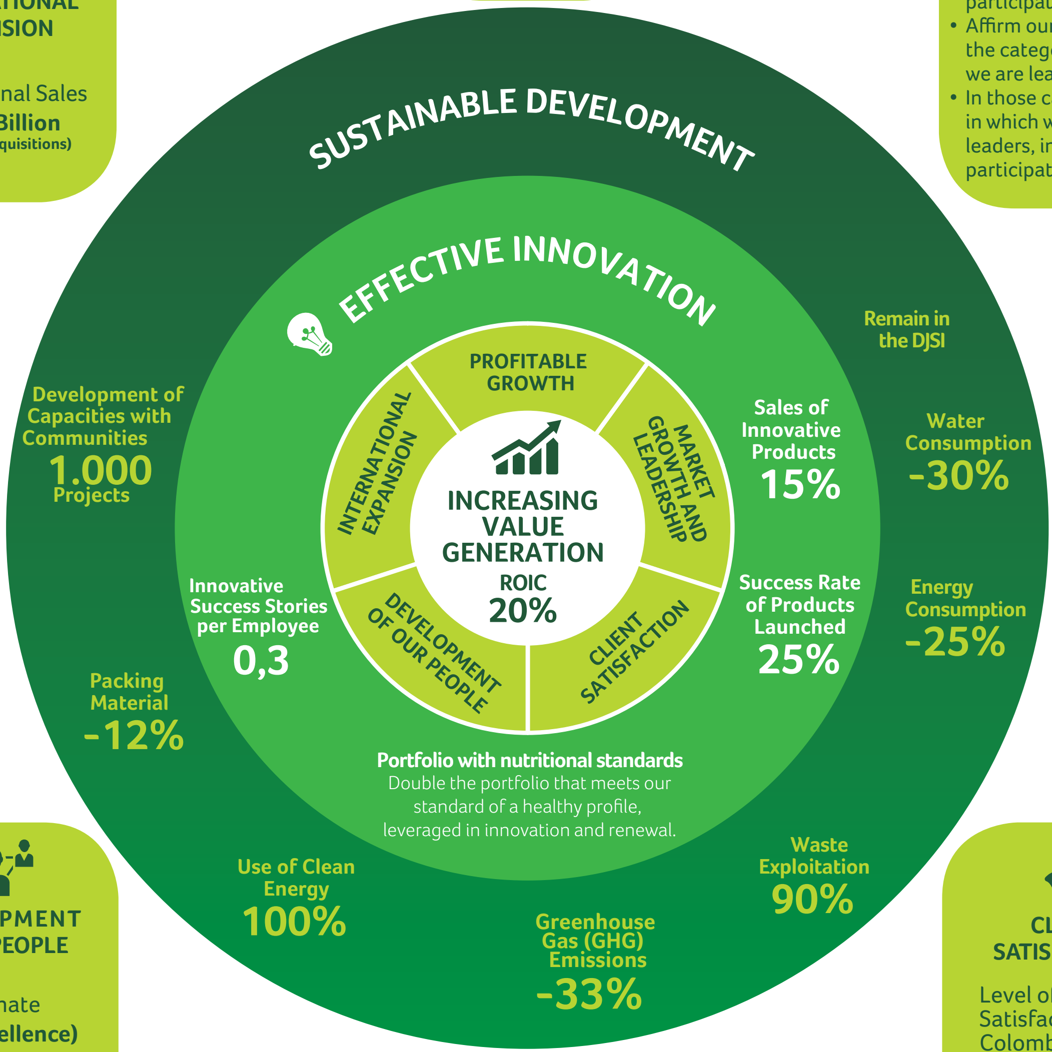
Productivity Kg/Hours of Direct Labor
+5% annual

MARKET GROWTH AND LEADERSHIP

- Weighted growth in the categories in which we participate: **8%**
- Affirm our position in the categories where we are leaders
- In those categories in which we are not leaders, increase participation

INTERNATIONAL EXPANSION

International Sales
USD 2 Billion
(Includes acquisitions)



DEVELOPMENT OF OUR PEOPLE

Work Climate
83,3 (Excellence)

Accident Frequency Rate
1,7%

CLIENT SATISFACTION

Level of Survey Satisfaction Colombia
4,5 (Excellence)

Level of Survey Satisfaction Abroad
4,5 (Excellence)

View technical indicators at:
http://www.gruponutresa.com/en/node/59623

PHILOSOPHY AND CORPORATE PERFORMANCE

- Autonomy with strategic coherency
- Good corporate governance
- Responsible corporate citizenship
- Competitiveness
- Innovation
- Development of our people
- Ethics
- Collaborative participation and management
- Respect
- Reliable food

DIFFERENTIATORS OF OUR BUSINESS MODEL

OUR PEOPLE

Our culture promotes participation, collaborative work, wellness, recognition and professional growth, which are reflected in the quality of our people and their commitment to the objectives.

+31.600 employees with a high level of satisfaction

OUR BRANDS

Our brands are leaders in the markets in which we participate; they are recognized and loved and are part of people's everyday lives. They are supported in nutritional, reliable products with an excellent price/value relation.

14 brands with sales of more than USD 50 Million

OUR DISTRIBUTION NETWORK

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

+582.000 points of sale

BUSINESS RISKS

Our policy is to manage business risks responsibly without exceeding the following levels:

- Business Risk: Aggressive
- Financial and Operating Risks: Moderate
- Reputation Risk: None

PRINCIPAL RISKS	MITIGATING RISKS
VOLATILITY IN PRICES OF RAW MATERIALS	• Diversification of raw materials • Clear coverage policy administered by a specialized committee • A highly trained team dedicated to monitoring and negotiating these supplies • Actively seeking new opportunities for global supply
REGULATIONS IN NUTRITION AND HEALTH MATTERS IN THE COUNTRIES WHERE WE ARE PRESENT	• *Vidarium* Nutrition, Health and Wellness Research Center • Active participation with Governments in discussions on regulations • Strict compliance with the regulations of each country
AN INCREASINGLY COMPETITIVE ENVIRONMENT DUE TO THE ENTRANCE OF NEW PLAYERS	• Large distribution capacity with a differentiated strategy to address the different segments • Attractive proposals with a good price/product relation • Recognized, loved brands • Portfolio innovation and differentiation • Search to enter new markets

BUSINESS GROUP STRUCTURE

Grupo nutresa

	Biscuits Nutresa	Chocolates Nutresa	Coffees Nutresa	Pastas Nutresa	Cold Cuts Nutresa	Ice Creams Nutresa
Plants	7	5	5	2	10	6
Countries with production plants	3	4	2	1	3	4
Countries with our own distribution network	12	12	9	1	3	7
Countries where we sell	55	40	46	1	9	7

Comercial nutresa (Distribution Network)

novaventa

La Recetta soluciones gastronómicas integradas

International sales and distribution network

Servicios nutresa (Shared services)

REGARDING THIS COMPREHENSIVE REPORT

The *Grupo Nutresa* 2012 Comprehensive Annual and Sustainability Report gives an account of the management conducted in the economic, social and environmental areas, in the framework of sustainable development; it has relevant information for our stakeholders and all those who are interested in learning about our organization. The Report has three main sections:

1. INCREASING VALUE GENERATION

This presents a financial summary of *Grupo Nutresa*, on a consolidated basis, covering all companies that form part of this Business Group. It also includes the internationalization strategy for emerging markets and the *Grupo Nutresa* innovation and nutrition model.

2. FOR A BETTER SOCIETY

This section includes the steps taken for the development and welfare of our people; the scope of indicators referring to employees has coverage both in Colombia and abroad. The social programs and projects developed with communities is contained here, but excludes the indexes of *Gestión Cargo Zona Franca S.A. S.*, due to the size of its operation.
Regarding the *Cordialsa* USA, *Cordialsa* Puerto Rico and *Cordialsa* Venezuela platforms, because the operations are very small, only the indicators on the number of employees, wages and benefits are reported.

3. OUR PLANET

This section includes the significant progress made on corporate goals for the use of resources; high priority is given to the eco–efficiency criteria and the energy efficiency plans. It also shows the consolidated indicators, environmental management and the efforts in the motivation and commitment policies with our suppliers throughout the supply chain for operations in Colombia. The agro–industrial plants of *Meals* in Armenia, *Setas Colombianas* and *Litoempaques* in Medellín have been excluded from the measurement, since their production processes differ from those of the core businesses.

Excluded from the social and environmental indicators in this report are the recent acquisitions: Dan Kaffe Malaysia (DKM) and American Franchising Corporation (AFC), with plants in Guatemala and Costa Rica. For AFC, only the number of employees is reported.

In 2012, we gave priority to the relevant issues identified in the materiality matrix of our stakeholders. This is why we are working on consolidating the human–rights table, strengthening innovation and knowledge management, with the Innovative Solutions and Synergy Communities programs. In the environmental topic, we continue to consolidate the management in the companies in Colombia and advance in the platforms abroad; and in social management, we have strengthened the work begun with the Food Banks in Costa Rica, the United States and Ecuador.

We wish to highlight *Grupo Nutresa's* adherence to the United Nations CEO Water Mandate, as a sign of the great commitment we have to the optimal use of water. We are the first real–sector company in Latin America to form part of this initiative.

The financial information of the Parent Company and its subordinated companies observes the generally accepted accounting principles that are prescribed by law and by the respective bodies of supervision and control in Colombia. Notwithstanding these principles, the group of companies apply accounting practices and policies adopted by the Parent Company, which, in the case of the subsidiary companies located abroad, do not substantially differ from the accounting practices used in the countries of origin and/or that have been approved for those that generate a significant impact on the consolidated financial statements. This information was audited by PricewaterhouseCoopers (PWC).

The sustainability information is aligned with the Global Reporting Initiative (GRI) G3.1 Guideline and Food–Sector Supplement; it was audited by KPMG Advisory Services Ltda. The consolidated indicators can be seen in the GRI Content Index on our Webpage www.gruponutresa.com/es/content/global-reporting.

This Annual and Sustainability Report is our fourth communication on progress and reaffirms our commitment to meet the challenges of the Global Compact, of which *Grupo Nutresa* is a signatory.

In the 2012 fiscal year, there were no important events that involved failure to meet the targets.

Some investment figures were restated in some 2011 social and environmental indicators, in order to achieve comparability.

- The 2012 Report in Spanish may be found at www.gruponutresa.com/es/informes_anuales.
- The opinion of the financial auditors is on pages 128 and 184.
- The auditor's opinion on the sustainability information is on page 58.
- The GRI level of application is on page 60.

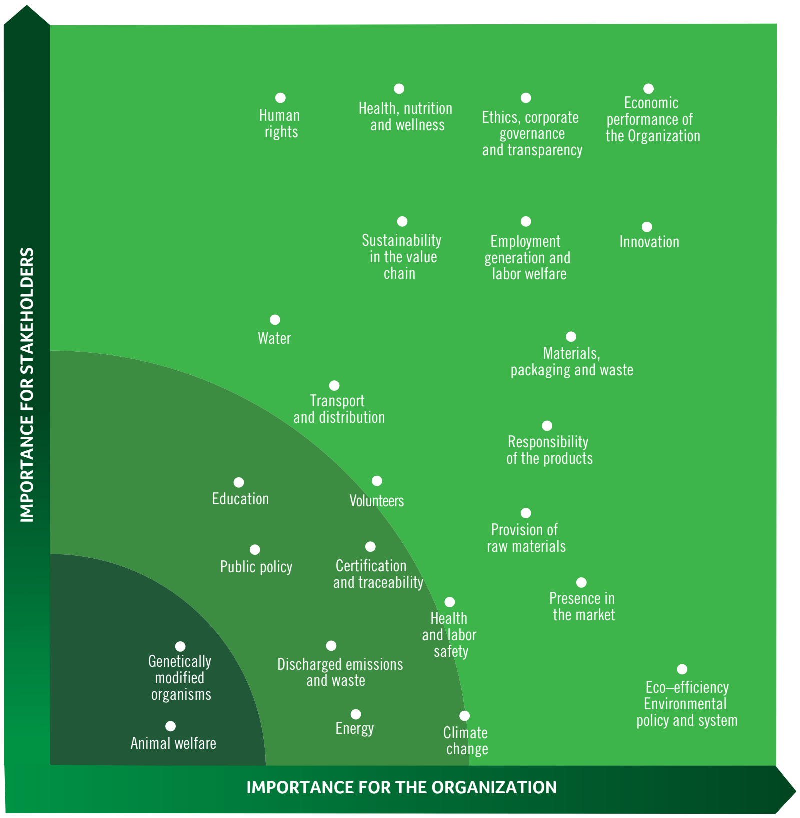
MATERIALITY ANALYSIS

To continue advancing in the aspects that are material for our stakeholders and the organization, we have consolidated the verification process of our performance indicators, requesting a sustainability audit every semester with KPMG. We also continue with the training of our employees in sustainability topics; in 2012, 45 persons in Medellín and Bogotá were trained. The materiality analysis was conducted in 2011 with communities, suppliers, investors, employees and clients and consumers, which allowed us to learn the most relevant aspects for our stakeholders regarding *Grupo Nutresa* management.

Through the Synergy Communities that the organization has established, managers are monitoring the sustainability strategies that are material to our business, in accordance with the matrix constructed in 2011.

Considering the relevance these aspects have for our stakeholders, we wish to highlight in this 2012 Annual and Sustainability Report the management that we have conducted during this period:

Relevant Issue	Page
Economic performance	62
Ethics, corporate governance and transparency	54
Health, nutrition and wellness and product liability	76
Human Rights	88
Innovation	65
Generation of employment and labor welfare	80
Sustainability in the value chain and supply of raw materials	103
Eco–efficiency; environmental management policy and system	114
Waste	120
Waste	119



Included in the printed version of the annual report
Included on the Web and/or in the printed version of the report
Not reported in detail

Likewise, the issues that are in less–important areas in the matrix describe the actions in less detail in the report, but have information in other media, such as the Webpage www.gruponutresa.com/es/desarrollo_sostenible

THE BOARD OF DIRECTORS

ANTONIO MARIO CELIA MARTÍNEZ-APARICIO, 2005*

Appointment and Retributions Committee
Strategic Planning Committee
Board of Directors' Issue Committee

President, *Promigas S.A.*
Previous Experience
Financial Vice President, *Promigas S.A.*
Manager, *Terpel del Norte*

Studies
Engineer, Worcester Polytechnic Institute
Executive education in MIT, Wharton and *Universidad de los Andes*

DAVID EMILIO BOJANINI GARCÍA, 2005

Appointment and Retributions Committee
Board of Directors' Issue Committee
Strategic Planning Committee

President, *Grupo de Inversiones Suramericana S.A.*
Previous Experience
President, *Fondo de Pensiones y Cesantías Protección S.A.*
Actuary Manager, *Suramericana de Seguros S.A.*

Studies
Industrial Engineer, *Universidad de los Andes*
Master's in Administration with emphasis in Actuary, University of Michigan

JOSÉ ALBERTO VÉLEZ CADAVID, 2005

Board of Directors' Issue Committee
Strategic Planning Committee

President, *Inversiones Argos S.A.*
Previous Experience
President, *Inversura S.A.*
President, *Suramericana de Seguros S.A.*

Studies
Administrative Engineer, *Universidad Nacional de Colombia*
Master's in Engineering, University of California at Los Angeles (UCLA)

GONZALO ALBERTO PÉREZ ROJAS, 2007

Corporate Governance Committee

President, *Suramericana S.A.*
Previous Experience
Vice President, Insurance and Capitalization, *Suramericana de Seguros S.A.*
Vice President, Corporate Businesses, *Suramericana de Seguros S.A.*

Studies
Attorney–at–Law, University of Medellín
Specialization in Insurance, Swiss Re

ALBERTO VELÁSQUEZ ECHEVERRI, 2007*

Appointment and Retributions Committee

General Manager, *Prosantafé S.A.*
Previous Experience
Secretary General of the Presidency of the Republic of Colombia 2002-2004
President, Heritage Minerals Ltd.

Studies
Business Administrator, EAFIT University
Master's in Business Administration, University of California at Los Angeles (UCLA)

JAIME ALBERTO PALACIO BOTERO, 2005*

General Manager, *Coldeplast S.A. and Microplast S.A.*

Previous Experience
Deputy General Manager, *Microplast S.A.*

Studies
Business Administrator, EAFIT University

MAURICIO REINA ECHEVERRI, 2007*

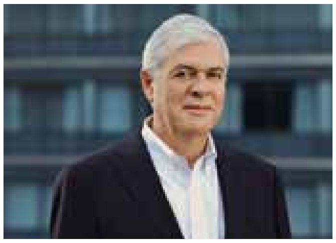
Finance and Audit Committee
Corporate Governance Committee
Strategic Planning Committee

Associate Researcher, *Fedesarrollo*
Previous Experience
Deputy Director, *Fedesarrollo*
Deputy Minister of Foreign Trade of the Republic of Colombia

Studies
Economist, *Universidad de los Andes*
Master's in Economics, *Universidad de los Andes*
Master's in International Relations, Johns Hopkins University

The year beside the name of each Director corresponds to the date of joining the Board of Directors. * Independent Member

STEERING COMMITTEE



CARLOS ENRIQUE PIEDRAHÍTA AROCHA, 2000

CEO, Grupo Nutresa

Previous Experience

President, *Corfinsura S.A.* • Financial Vice President, *Compañía Suramericana de Seguros S.A.* • Vice President, Personal Banking, *Banco Industrial Colombiano*

Studies

Economist, University of Keele (England) • Master's in Finance, London School of Economics

ANA MARÍA GIRALDO MIRA, 2005

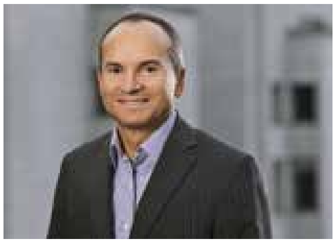
Vice President, Corporate Finances

Previous Experience

Director of Projects and Requirements, *Bancolombia S.A.* • Vice President of Corporate Finances, *Banca de Inversión Bancolombia S.A.* • Technical Risk Engineer and Corporate Business Executive, S*uramericana de Seguros S.A.*

Studies

Civil Engineer, *Escuela de Ingeniería de Antioquia* • Specialization in International Business, EAFIT University



DIEGO MEDINA LEAL, 1997

President, Cold Cuts Business
Vice President, *Grupo Nutresa* Logistics

Previous Experience

Financial Vice President, *Inveralimenticias Noel S.A.* • Financial Engineering Manager, *Corfinsura S.A.* • Cali Regional Manager, *Corfinsura S.A.*

Studies

Electric Engineer, *Universidad Tecnológica de Pereira* • Specialization in Finances, EAFIT University

ALBERTO HOYOS LOPERA, 1993

President, Biscuit Business
Vice President, *Grupo Nutresa* North Strategic Region

Previous Experience

General Manager, *Compañía de Galletas Pozuelo Costa Rica* • Manager, International Businesses, *Galletas Noel S.A.* • Procurement Manager, *Compañía de Galletas Noel S.A.*

Studies

Mechanical Engineer, *Universidad Pontificia Bolivariana* • MBA with emphasis in International Business, EAFIT University

SOL BEATRIZ ARANGO MESA, 1992

President, Chocolate Business
Vice President, *Grupo Nutresa* South Strategic Region

Previous Experience

Vice President, Corporate Planning, *Grupo Nacional de Chocolates S.A.* • Financial Vice President, *Industrias Alimenticias Noel S.A.* Financial Manager, *Susaeta Ediciones S.A.*

Studies

Production Engineer, EAFIT University • Specialization in Finances, EAFIT University • Specialization in Strategic Management, Pace University, New York

- The year beside the name of each Director corresponds to the date of employment in *Grupo Nutresa*.
- Beginning on February 11, 2013, Sol Beatriz Arango Mesa is President of *Servicios Nutresa* and Director General of *Fundación Nutresa;* Carlos Ignacio Gallego Palacio is President of the Chocolate Business and Vice President of the *Grupo Nutresa* South Strategic Region.

JORGE EUSEBIO ARANGO LÓPEZ, 1991

President, Coffee Business
Vice President, *Grupo Nutresa* Sustainable Development

Previous Experience

International Vice President, *Compañía Nacional de Chocolates S.A.* • Financial Manager, *Compañía Nacional de Chocolates S.A.*

Studies

Economist, *Universidad de los Andes* • Specialization in Finances, EAFIT University • Masters in Financial Studies, University of Strathclyde, Glasgow, Scotland

MARIO ALBERTO NIÑO TORRES, 2006

President, Ice Cream Business
Vice President, *Grupo Nutresa* Innovation and Nutrition

Previous Experience

General Manager, *Meals de Colombia S.A.*
Financial Manager, *Meals de Colombia S.A.*
Marketing Manager, *Meals de Colombia S.A.*

Studies

Business Administrator, *Universidad de La Sabana* • Specialist in Strategic Marketing, *Colegio de Studies Superiores de Administración, CESA*

FABIÁN ANDRÉS RESTREPO ZAMBRANO, 1996

President, Pasta Business

Previous Experience

Manager, Special Business Projects, *Servicios Nutresa* • General Manager, *Pastas Comarrico* • Client Development Coordinator, *Compañía Nacional de Chocolates S.A.*

Studies

Systems Engineer, EAFIT University • Specialization in Systems and Database Management, University of Antioquia • Studies in Artificial Vision and Industrial Robotics, *Universidad de Cartagena,* Murcia, Spain • MBA, E–Business, *Tecnológico de Monterrey*

ÁLVARO ARANGO RESTREPO, 2001

President, Comercial Nutresa
Vice President, *Grupo Nutresa* Sales and Marketing

Previous Experience

President, Pasta Business • President, *Meals de Colombia S.A.* • Vice President of Marketing, *Postobón S.A.*

Studies

Business Administrator, EAFIT University

CARLOS IGNACIO GALLEGO PALACIO, 1991

President, *Servicios Nutresa*
General Director, *Fundación Nutresa*

Previous Experience

Industrial Vice President, *Compañía Nacional de Chocolates S.A.* • Director, Production Division, *Compañía Nacional de Chocolates S.A.* • Factory Manager, *Compañía Nacional de Chocolates S.A.*

Studies

Civil Engineer, EAFIT University • Master's in Business Administration, EAFIT University

JAIRO GONZÁLEZ GÓMEZ, 2007

Vice President, Secretary General, *Grupo Nutresa* Legal Assistance Manager, *Servicios Nutresa*

Previous Experience

Founder and Director, *González Gómez Abogados* External Legal Advisor, *Grupo Nutresa* Member of the legal firm *Ignacio Sanín Bernal & Cía.*

Studies

Law and Political Science, *Universidad Pontificia Bolivariana* • Specialization in Commercial Law, *Universidad Pontificia Bolivariana*

MANAGEMENT AND SUSTAINABILITY REPORT

Dear Shareholders:
If we begin by summarizing the highlights of 2012 for *Grupo Nutresa S.A.,* we should mention first of all the significant improvement in our operating profitability, driven by the normalization of raw material prices and increases in efficiency and productivity.

In Colombia, the positive economic environment, exploited by a powerful management of the *Grupo Nutresa's* commercial networks, permitted significant ales growth and the consolidation of our market leadership.

We also highlight the progress of our international expansion through acquisitions, even outside of our continent, although, for the first time in years, the international organic growth was lower than domestic.

It was also a year of new opportunities, facing a much more affordable world market allowed us to improve our competitiveness, both in the sales of our products as well as in the purchase of our supplies.

Finally, we wish to highlight the significant progress in corporate governance practices, in our model of innovation and, in general, in the three dimensions of sustainable development: economic, social and environmental.

Our efforts to be a sustainable company were recognized once again. For the third consecutive year, we have bee included in the **RobecoSAM** Sustainability Yearbook, and we are part of the Dow Jones Sustainability World Index, which means that we are among the nine leading food companies in the world in sustainability.

The EBITDA margin rose from 11,23% in 2011 to **12,65%** un 2012. EBITDA closed at COP 671.095 Millions, an increase of **18,1%.**

This Sustainability Report, like those of the previous two years, was rated A+ by the Global Reporting Initiative (GRI). This recognition has been achieved after the verification of compliance under the ISAE3000 international standards, and the favorable opinion of Klynveld Peat Marwick Goerdeler (KPMG).

We present our 2012 Annual and Sustainability Report, which we have divided into three sections: Increasing Value Generation, For a Better Society, and Our Planet, which reflect our progress in the economic, social and environmental dimensions, respectively.

INCREASING VALUE GENERATION

In 2012, we managed to grow profitably. With a moderate increase in prices, we were able to generate a remarkable increase in operating profitability. Consolidated sales reached COP 5 Trillion, 305.782 Million, with a total growth of 4,9%, divided in 3,2% in volume and 1,7% in prices.

Sales in Colombia grew quite dynamically and reached COP 3 Trillion, 794.761 Million, with an increase of 8,5%, driven by the management of our commercial and distribution model, as well as the leadership of our brands and the sustained effort in innovation.

The dynamics of our commercial networks, reaching more than 238.000 points of sale, and the differentiated offering for each segment we serve, allowed us to contribute to and participate in an active behavior of the categories, maintaining our participation in the Colombian market of 59,2%[1].

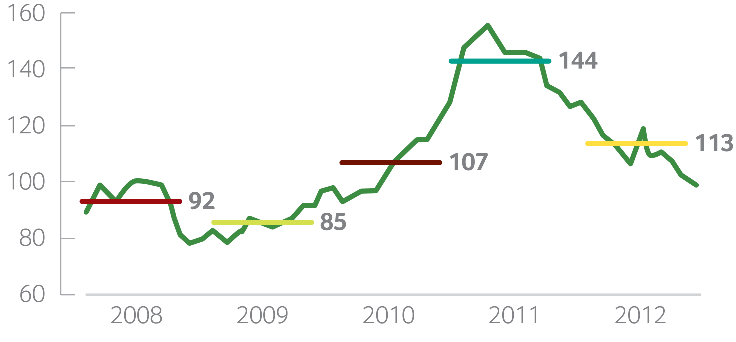
Likewise, with our model of innovation, *Imagix*, we continued to increase the sales of our products, which reached 19,4% of total sales, with a success rate of 41%.

International sales rose 1,2%, closing at USD 844.1 Million, which represents 28,5% of total sales. Our sales overseas were primarily affected by the decline in coffee exports, the slowdown of the Chocolate Business in Mexico and historically low exports to Venezuela. On the other hand, we wish to highlight the good growth of the Biscuit Business in the United States and Central America, and of the Ice Cream Business in the Dominican Republic. *Grupo Nutresa's* products reached more than 344.000 points of sale outside Colombia.

Grupo Nutresa's operating profit grew significantly. The EBITDA margin increased from 11,23% in the previous year to 12,65% in 2012. The consolidated EBITDA closed at COP 671.095 Million, which represents a growth of 18,1%. This gain in profitability was generated by increased operational efficiency. The 5,2% increase in productivity in the plants, the decrease in the cost of raw materials, and lower production costs led to an increase in total costs and expenses of 3,5%, much lower than the percentage increase of income.

This year the average price of agricultural commodities showed a significant decline, breaking the upward cycle that began in 2009. To illustrate this situation, we have constructed the *Grupo Nutresa* Commodities Index (GNCI)[1], which shows the behavior of the principal raw materials used in our production processes.

GNCI



Base 100 December 31, 2012

1. This participation does not include the Ice Cream category, due to the revision in the measurement methodology. The reported participation in 2011 was 60,6%, including the Ice Cream Business and 59,3% without including it.
2. This index reflects the monthly behavior of the reference price of the basket of agricultural commodities affecting *Grupo Nutresa*, weighted by their share of the production cost. It includes the prices for beef and pork, soybean meal, corn, wheat, oils and fats, sugar, cocoa and coffee.

Thus, operating income amounted to COP 521.112 Million, an increase of 20,5%, which, together with a decrease in net post–operative expenses of 44,4%, allowed us to close 2012 with a consolidated net income of COP 345.507 Million, up 36,3% from that presented in 2011.

Consolidated assets reached COP 8 Trillion, 951.564 Million, up 12,9% from the previous year. Net financial debt is COP 398.542 Million. The net financial debt to EBITDA ratio is 0,6, leaving room to leverage our growth. This allows us to confirm the financial strength of *Grupo Nutresa,* whose assets grew by 14,4%, reading COP 7 Trillion, 408.958 Million.

ACQUISITIONS AND OTHER RELEVANT PROJECTS

- In December, we consolidated the international expansion of the Ice Cream Business, by purchasing the Panamanian company American Franchising Corporation (AFC), owner of the POPS ice cream chain, the market leader in Costa Rica, and with an important participation in Guatemala and Nicaragua. This acquisition expands our product offering in Central America, adding a highly profitable business with a highly positioned brand.
- Also, in December, we signed the purchase agreement for 44% of the shares of Dan Kaffe Malaysia (DKM), one of the largest companies in Malaysia, dedicated to the production of instant coffee and coffee extracts. DKM has a strategic location, with access to a good logistics infrastructure that competitively facilitates the import of raw materials and the export of finished products. This acquisition allows us to expand our role in the global coffee industry, diversify the production and origin of our instant coffees, and venture into the rapidly growing market for this product in Asia, accompanied by Mitsubishi Corporation and Takasago International Corporation, both world–class players.
- In 2012, *Grupo Nutresa* launched Innovative Solutions (*Soluciones Innovadoras*), an open innovation program that seeks to take advantage of the extended capabilities in innovation, within and outside *Grupo Nutresa*, sharing the challenges of the various businesses in a Web platform that allows all employees, regardless of their business, as well as people outside *Grupo Nutresa,* to participate with their proposed solutions. Since the first year of operation, important solutions to problems or challenges that we have had for many years have been found.

BUSINESS PERFORMANCE

Below is a summary of the positive results of the Businesses, which are expanded in the following sections of this report.

OUR BUSINESSES

	Total Sales		Colombian Sales		International Sales		EBITDA		EBITDA Margin	Innovation Sales
BUSINESS	**COP Millions**	**Variation**	**COP Millions**	**Variation**	**USD Millions**	**Variation**	**COP Millions**	**Variation**	**%**	**% Sales**
Cold Cuts	1.727.365	5,8%	1.274.157	6,2%	255,7	13,9%	221.294	(2,7%)	12,8%	24,8%
Biscuits	1.117.667	8,6%	658.706	10,4%	255,3	9,3%	120.914	15,1%	10,8%	11,7%
Chocolates	939.774	(0,1%)	670.849	4,8%	149,6	(7,7%)	143.611	34,8%	15,3%	8,8%
Coffee	809.978	(1,9%)	524.505	9,2%	158,8	(15,1%)	89.346	32,5%	11,0%	15,2%
Ice Cream	380.328	19,2%	336.447	18,8%	24,4	26,4%	60.509	43,9%	15,9%	34,5%
Pastas	209.056	9,1%	209.056	9,1%	-	NC	29.472	61,3%	14,1%	64,3%
Others	121.613	2,1%	121.041	15,9%	0,3	NC	5.949	NC	4,9%	NC
Total	**5.305.782**	**4,9%**	**3.794.761**	**8,5%**	**844,1**	**1,2%**	**671.095**	**18,1%**	**12,65%**	**19,4%**

OUR TRANSVERSAL ACTIVITY COMPANIES

In 2012, the *Comercial Nutresa* management model was consolidated and completed its first year of operation with national coverage. The efficiencies achieved permitted a decrease in the Cost to Serve[1] and an increase in the level of service for the second year. Below, we summarize the principal indicators of *Grupo Nutresa's* transversal commercial activity companies. Later on in this report, we will provide more information on the performance of each company.

	Sales	Variation	Level of Service[4]
	COP Millions	%	
Comercial Nutresa	1.871.360	6,8%	95,5%
Novaventa	225.917	27,1%	96,9%
La Recetta	172.881	17,5%	97,8%

3. Cost to Serve: The *Comercial Nutresa* operating cost on sales managed.
4. Level of Service: The evaluation of client satisfaction within the service cycle, which includes: negotiation, request for orders, relation with sales representatives, order and invoice delivery, relation with the person making the delivery, complaint and claim management, advertising materials and promotion and stimulus activities.

Regarding *Servicios Nutresa,* the administrative transversal activity company, we will present a description of its management in a later section.

INDIVIDUAL RESULTS OF GRUPO NUTRESA S.A.

In compliance with Colombian regulations, we now report the individual results of *Grupo Nutresa S.A.*: We recorded operating revenues of COP 356.474 Million of which COP 312.990 Million correspond to profits through the equity method of our investments in food companies and COP 35.105 Million to dividends from the investment portfolio. Net income was COP 345.484 Million.

GRUPO EMPRESARIAL NUTRESA SPECIAL REPORT

In compliance with the provisions of Article 29 of Law 222 of 1995, we present the *Grupo Empresarial Nutresa* (*Nutresa* Business Group) Special Report.

Grupo Nutresa S.A. is the Parent Company of Grupo Empresarial Nutresa (Nutresa Business Group) which, at the close of 2012, was comprised of 54 companies, which–for administrative purposes–are grouped **(i)** in the six food businesses and their productive platforms in Colombia and abroad in which we participate; **(ii)** in an international distribution network; **(iii)** in three national distribution companies; and **(iv)** a shared–services company, which provides administrative support to all *Grupo Nutresa* companies.

Following the same enumeration of the regulation cited, we conduct the following aspects:

1. The economic relations of the Parent Company with its subsidiaries consist primarily of charging management or administrative fees and receiving profits generated as dividends by the subsidiaries in their business. For fees, the Parent Company received the sum of COP 8.377 Million; dividends amounted to COP 132.473 Million.
2. No operations were conducted with third parties in the interests of the subsidiaries, or from the influence on or interest in the subsidiaries by the Parent Company.

Finally, we state that during 2012, *Grupo Nutresa* did not stop making decisions to attend any interest or influence of any of its subsidiaries, not did any of its subsidiaries stop making decisions to attend any interest or influence of *Grupo Nutresa*.

CORPORATE GOVERNANCE AND LEGAL DISPOSITIONS

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

In 2012 the Company's Board of Directors designated one of its independent members as its President and, likewise, independent members chaired all the Committees. In addition, the Company implemented other prominent global practices, such as composing the Board of Directors with a majority of independent members and commissioning a third party (*Prospecta S.A.S.*) to perform an independent, external evaluation of the performance of the Board of Directors; these results were very satisfactory, since it stated that the Board of Directors is a well–structured, mature governing body.

Grupo Nutresa obtained a higher score in the section on Corporate Governance in the 2012 Dow Jones Sustainability Index Survey, passing from 77 points obtained in 2011 to 81 points in 2012. Likewise, according to the results of the *Código País* survey, we have implemented all the measures of Corporate Governance, suggested by the Office of the Colombian Superintendent of Finances, through External Circular 028 of 2007.

During 2012, there were no conflicts of interest that might have affected the Company. Likewise, it complied with the ban on Board of Directors' members and executive staff acquiring or disposing of Company shares until the time when the quarterly results are officially in the public domain.

The Finance and Audit Committee approved the "Management Policy for the Prevention and Control of Money Laundering Risks and the Financing of Terrorism," which aims to define the corporate guidelines for *Grupo Empresarial Nutresa* in this matter, in order to minimize the possibility that the *Grupo Nutresa* companies, in the development of their operations, are used directly or indirectly as a tool to conceal, manage, invest or use any form of money and other assets derived from illegal activities. The Handbook to Prevent and Control Money Laundering and Financing of Terrorism was duly observed, and there were no deficiencies in the design and operation of the internal controls.

FOUR OF THE SEVEN MEMBERS OF THE BOARD OF DIRECTORS ARE INDEPENDENT MEMBERS, INCLUDING ITS PRESIDENT. THE EXTERNAL ASSESSMENT OF THIS BODY SHOWED VERY SATISFACTORY RESULTS.

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

The Appointment and Retributions Committee supported the Board of Directors in evaluating the performance of directors, providing the necessary criteria to establish their management goals, review the assessment of the positions, verify that staff remuneration was made based on the principles of internal equity and external competitiveness, and approved the parameters and evaluations for the variable–compensation schemes that are applied in the *Grupo Empresarial Nutresa* companies. Likewise, it endorsed the appointment of managers in the organization.

The Company respects the integrity of the intellectual property and copyright laws and it has no complaints or lawsuits of consideration, which means that there are no contingent liabilities that may impair the 2012 consolidated year–end accounting results. The licenses to use software installed in the Company are valid and have been obtained through contracts signed between the licensors and *Servicios Nutresa S.A.S.* affiliates for use in all the *Grupo Nutresa* companies. Similarly, no significant fines or penalties against the *Grupo Empresarial Nutresa* companies were imposed for the breach of laws or regulations relating to consumer rights, unfair competition, product safety, etc.

In accordance with the provisions of Article 46 of Law 964 of 2005, the financial statements and other reports that we are providing do not contain defects, inaccuracies or errors that prevent knowing the true financial situation of the Company.

EVALUATION OF THE PERFORMANCE OF FINANCIAL INFORMATION DISCLOSURE AND CONTROL SYSTEMS

The internal control system of the Company comprises, among other components, the resources necessary to ensure the accuracy and reliability of the information required to plan, manage, monitor and measure the performance of its business, as well as ensure the adequate disclosure of the financial information to its shareholders and other investors, the market and the public in general. These resources include comprehensive risk management, accountability systems, control plans and programs, budget and cost tools, account plans, standardized policies and procedures, comprehensive information formats and systems to document and record transactions, as well as indicator panels that support continuous monitoring of processes by the Administration. Through independent, comprehensive assurance management, Internal Auditing ensures the compliance of goals and objectives of the Company and the adequate protection, utilization and conservation of assets in all processes. In turn, the Fiscal Auditor fulfills the responsibility of verifying and certifying public faith on relevant issues, such as the observance of legal, statutory and administrative regulations by the Company, the reasonableness of its financial statements and the disclosures contained therein.

IN THE DOW JONES SUSTAINABILITY INDEX, *GRUPO NUTRESA* OBTAINED THE HIGHEST SCORE IN THE SOCIAL DIMENSION.

The results of the continuous monitoring activities by the Administration and independent evaluations, conducted by Internal Auditing and the Fiscal Auditor, are reported in each case in a timely manner to the appropriate authorities, including the Finance and Audit Committee, which confirms that the performance of the financial information disclosure and control systems of the Company and its businesses is appropriate. These systems ensure the adequate, timely presentation of this information, which is verified through accounting, as it related to the operations which–due to their nature–must be reflected and revealed in the financial statements or in accordance with the expectations, projections, cash flows or budgets, whether they deal with business initiatives or projects, all within the constraints that, by virtue of the law, or the contracts or confidentiality agreements, are imposed on the disclosure of such operations. Based on these activities, we also state that there were no significant deficiencies in the design and operation of the internal controls that would have prevented the Company from adequately registering, processing, summarizing and presenting the financial information of the period. Also, no fraud was identified and, as the effect of the quality of this information, there were no changes in its evaluation methodology.

In accordance with Article 3 of Decree 2784 of 2012, the *Grupo Nutresa* Board of Directors, at its meeting on February 22, 2013, approved the convergence implementation plan to the International Financial Reporting Standard. This information was sent to the respective control entity.

FOR A BETTER SOCIETY

In our social management within the Company, we always seek the comprehensive development of our employees, targeting competent, committed collaborators who are in constant self–improvement.

We rely on training and wellness programs to enhance the quality of life and the skills of our teams so that we can properly address the challenges of productivity and competitiveness we have. In line with *Grupo Nutresa's* evolution, we devote special care throughout the year to strengthening leadership and the development of skills for the multi–Latin nature of the Organization.

We maintained collaborative labor relations, within a framework of respect for and observance of Human Rights and the regulations of the countries where we operate.

As a result of an ongoing effort to have safer work environments and cultivate the culture of self–care, last year we had a 3,5% frequency rate of accidents in the *Grupo Nutresa* companies, well below the average of our industry.

In *Grupo Nutresa's* external social management, the companies associated with *Fundación Nutresa* advanced programs in the lines of Nutrition, Education, Income Generation and Entrepreneurship and Support for the Arts and Culture, with a focus on capacity building, looking to add value in the communities with which we interact. This was possible thanks to the support of our Corporate Volunteer Program, in which 6.381 employees were involved in 2012, contributing talent and resources to high–impact social projects.

Investment in the Nutrition line in 2012 amounted to COP 4.752 Million, seeking to contribute to the adoption of best food practices and improve the nutrition conditions of the vulnerable population. Our actions were focused on this front in strengthening the Food Bank Network of Colombia and the regional Food Banks, as well as supporting nutritional support projects.

In the Education line, with an investment of COP 2.645 Million, we seek to help improve its quality. Our main actions were centered on teacher training, highlighting our *Líderes Siglo XXI* (XXI Century Leaders) program, which reached 730 schools in 87 municipalities in Colombia and sponsoring the *XII Gestión Integral en la Educación* (XII National Congress of Integrated Education Management) in the city of Medellín, which was attended by more than 800 teachers, as well as the *Oriéntate el Mundo a un Clic* (Find the World in a Click), which promoted the use of information technologies in classrooms, and trained more than 531 teachers in 37 schools.

In Income Generation and Entrepreneurship, as well as in the development of our value chain, we made investments for COP 3.983 Million. Most outstanding was the consolidation of the *Cacao para el Futuro* (Cocoa for the Future) Private Capital Fund, as a powerful tool of Responsible Social Investment.

In this line, we also highlight the schools for neighborhood and self–service storekeepers, in which our clients were trained to develop skills to make their businesses more successful; and likewise, the *Novaventa network* of business mothers had 73.903 businesswomen at the close of the fiscal year.

To facilitate access to various forms of art and culture for disadvantaged communities, in 2012 we made contributions for COP 1.823 Million.

Loyal to our principles, we participate in programs and projects with objectives and clear measurement and monitoring systems, generating greater social value, always focused on our management lines.

The total social investment of *Grupo Nutresa* and its companies totaled COP 13.801 Million during the year.

OUR PLANET

We made significant advances in the Corporate goals regarding the use of resources, with a 7,3% decrease in water consumption per ton produced and a 3,4% decrease in energy, over the previous year. For the 2010–2012 period, we had a reduction of 10,9% and 7,7%, respectively, in these indicators. The composition in the use of *Grupo Nutresa's* energy basket was 80,1% of clean fuels (natural gas and electricity) with an improvement over the previous year of 5,2%. The use of other fuels (coal, diesel, LPG, crude oil) was reduced by 30,7%. We made environmental investments worth COP 12.631 Million.

THE SOCIAL INVESTMENT OF *GRUPO NUTRESA* AND ITS COMPANIES WAS COP 13.801 MILLION. THE MAJORITY OF THESE RESOURCES WERE ARTICULATED WITH *FUNDACIÓN NUTRESA* IN FOUR LINES: NUTRITION, EDUCATION, INCOME GENERATION AND ENTREPRENEURSHIP, AND SUPPORT TO THE ARTS AND CULTURE.

During the year, our employees presented 146 successful environmental innovations, reflecting the commitment to and high motivation for Environmental Sustainability. Similarly, we reinforced the policies of motivation and commitment with our suppliers throughout the supply chain, strengthening the environmental–management systems. We obtained ISO–14001 certification in the *Zenú, Industrias Aliadas* and, recently, *Pastas Doria plants.* High priority is given to the Eco–Efficiency criteria and energy efficiency plans, conducting studies to optimize energy consumption in the Ice Cream, Pasta and Coffee businesses, with the *Centro Internacional de Física* (CIF).

Regarding Greenhouse Gas (GHG) emissions, we have increased the efficiency of our production processes, with a decrease in the generation of GHG per ton produced–scope 1, directly controlled by the Company, of 3,3% for the year and 5,3% for the 2010–2012 period. As parte of the emission reduction program, in December, a change of fuel–from coal to natural gas–was made in the Boiler in the *Chocolates* plant in Rionegro. It is estimated that this will avoid the emission of 6.700 tons of CO2 annually. Similarly, in the international operations of *Chocolates* and *Galletas Pozuelo,* the GHG inventory was done to establish the baseline of these plants. In line with our commitment to seek efficiencies in all the emission generating processes, we began an energy efficiency pilot program with transport service providers in the Biscuit Business; this work was so highly positive and collaborative that we hope to replicate it throughout *Grupo Nutresa's* transport operation.

As proof of our great commitment to the optimization of water use, we are the first company in the real sector in Latin America that has adopted the United Nations Global Compact's CEO Water Mandate, and we have been invited to be part of its Mandate Steering Committee (SC). Moreover, with the advice of the Global Alliance for Incinerator Alternatives (GAIA), we measured the Corporate water footprint of all operations in Colombia. This study was presented to the Water Footprint Network (WFN), which has certified the methodology and study conducted, highlighting that this is the first of its kind to be presented by a company in Latin America.

We also participated in the Eighth International Conference on Life Cycle Assessment (LCA) in the food sector–LCA Food 2012–with two presentations on the life cycle of products in the Cold Cuts and Biscuit Businesses.

As part of our commitment to the preservation of biodiversity, we adhere to the *Pacto por los Bosques de Antioquia* (Antioquia Forest Pact). In line with this, our subsidiary Colcafé made a donation for the purchase of property in the town of Jardín, in the Department of Antioquia, where the Medellín Botanical Garden will conduct the *Bosques para la Conservación de la Biodiversidad* (Forests for the Conservation of Biodiversity) Project, which will carry out programs in ecological and conservation studies of the Andean ecosystems, through *in situ* evaluations; this property will be available to the general public.

Additional information on the various programs related to the optimal use of resources and environmental impact are presented in this report, which we invite you to review in more detail.

WE ARE THE FIRST LATIN AMERICAN REAL–SECTOR COMPANY TO ADHERE TO THE CEO WATER MANDATE, REITERATING OUR COMMITMENT TO THE RATIONAL CONSUMPTION OF RESOURCES.

OUR BRAND

In Nutresa, we are recognized for our responsibility, our ethical actions, the quality of our people and our commitment to sustainability. Furthermore, our brands are recognized for their quality, innovation, nutritional contribution and the wellness that they provide to consumers.

Therefore, to back up the recognition of our Corporate Philosophy and the leadership of our brands, we will henceforth incorporate the Nutresa logo on the packaging of our products.

OUR COMPANY WILL CELEBRATE A CENTURY IN 2020.
THE CENTENNIAL VISION THAT WE HAVE LAUNCHED INSPIRES THOSE OF US WHO ARE PART OF IT TO BUILD THE COMPANY WE HAVE DEFINED.

PERSPECTIVES

Colombia, and in general the region that we have defined as strategic for our business, will continue its outstanding growth worldwide. This, added to our distribution capacity, the strength of our brands, our team and the culture of innovation, position us favorably to continue with *Grupo Nutresa's* growth in a sustainable manner in the three dimensions: economic, social and environmental.

Our financial strength allows us to continue the international expansion process, by acquiring companies in the strategic region, which will strengthen our position as a multi–Latin company.

Moreover, we will see a more open world environment, driven by the free–trade agreements with the major countries of the region. Our challenge is to take advantage of this opportunity to continue to grow profitably, expand our base of suppliers and clients, strengthen our businesses in international markets and maintain our position of leadership.

The expected stability in prices of the principal supplies of *Grupo Nutresa,* our productivity and efficiency plans, and the search for new global suppliers will allow us to continue delivering a satisfactory return to our shareholders.

ADVANCES IN STRATEGIC PLANNING

Our Company will celebrate a century of existence in 2020 and this year, we are launching our Centennial Vision, in order to inspire and challenge all those who are part of this great organization, to build–over the next eight years–the company we have defined. This vision reflects all that is currently in effect, so that the long–term goals that we had established now become the sprint to reach the longer–term goal, that of 2020.

Our vision for our first century now states:

"Our Centennial strategy is to acquire sales of COP 10 trillon by 2020, through organic growth; with sustained profitability between 12% and 14% of the EBITDA margin. To achieve this, we offer our consumers recognized and beloved brands of food that nourish, generate wellness and pleasure, and that are distinguished by the best price/value relation; widely available in our strategic region; managed by talented, innovative, committed and responsible people, who contribute to sustainable development."

GRATITUDE

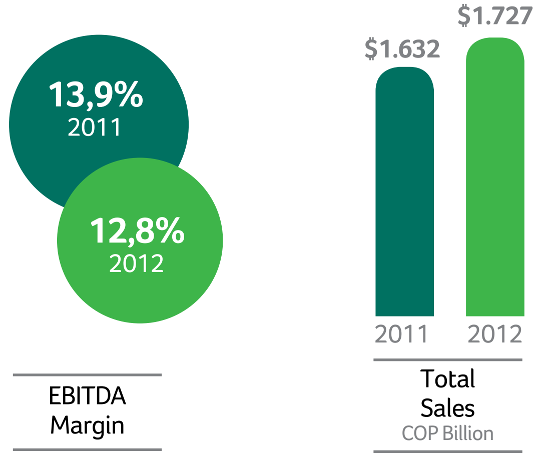
We wish to thank all the shareholders for supporting our management last year. We also thank all our employees, clients, consumers, suppliers and the community in general, for contributing to the development of *Grupo Nutresa* and for inspiring us to continue working to increase value generation, sustainability and innovation.

Antonio Mario Celia Martínez–Aparicio
(President of the Board of Directors)
David Bojanini García
José Alberto Vélez Cadavid
Gonzalo Alberto Pérez Rojas
Alberto Velásquez Echeverri
Jaime Alberto Palacio Botero
Mauricio Reina Echeverri
Carlos Enrique Piedrahíta Arocha - CEO


Festival

Our Businesses

CÁRNICOS NUTRESA COLD CUTS BUSINESS



Plants in Colombia, Panama and Venezuela

Cárnicos Nutresa generated revenues of COP 1 Trillion, 727.365 Million, an increase of 5,8% compared to 2011. Sales in Panama and Venezuela accounted for 26,2% of its sales. EBITDA amounted to COP 221.294 Million, 2,7% less than the previous year, representing a sales margin of 12,8%. Business profitability was affected by the price reduction strategy in Colombia, which seeks to maintain its competitive position in the market, and the shrinking margins in Venezuela generated by regulatory changes.

COLOMBIA

The cold cuts category grew 6,6% in value, which consolidated continuous growth in recent years, higher than the food basket. Our actions as market leader, with a share of 71,6%, have contributed to this dynamism.

During 2012, we continued with the consolidation of our brands. The *Zenú* brand secured the frankfurter segment, the largest in the category; it entered the segments of breaded products and *butifarra* (a spicy pork sausage), and cut prices on some products, seeking to strengthen their competitiveness. The *Ranchera* brand entered the segment of ribs and became the leader of the segment, and strengthened the relationship with consumers through digital media and brand activations. The *Pietrán* brand continued to strengthen its position as a healthy brand. Different activities were held throughout the year with the Colombian Heart Association (*Asociación Colombiana del Corazón*), both in traditional and digital media. The *Rica* brand focused on aligning products and disbursements in line with its proposal of being the economical brand nationally; the *Cunit* brand worked on maintaining the positioning of the economical brand on the northern coast of Colombia.

The long–life category grew 6,3% in value. The Business, with a share of 62,2% in the segments in which it participates (vegetables and meat) continues as absolute leader. The frozen–food category remained stable. However, *Cárnicos Nutresa* had an outstanding performance by presenting a growth of 5,8% in value; this growth allowed it to reach a market share of 35% in value, two (2) percentage points more than in 2011.

The Business was recognized by the National Association of Industrialists of Colombia (ANDI) with first place in the VENN Awards (*Visión y Efectividad en la Nueva Gestión de Negocios en Categorías de Consumo*) (Vision and Effectiveness in New Business Management in Consumption Categories). It also achieved first place in Logistics and Customer Service according to the study conducted by *Advantage* in the channel of Large Chains. Moreover, we were highlighted as pioneers in Latin America for the development and implementation of electronic invoicing with acknowledgement through the use of SAP.

Our performance, as market leaders, contributed to the **6,6%** growth of the cold cut category in 2012.

We continue to consolidate the distribution model in the traditional channel, reaching more than 175.700 clients with refrigeration systems, which corresponds to a coverage of 67% of total clients and 97% of the country's major clients. The customer–service level was 95,3%, 1,1% percentage points more than the previous year.

In 2012, innovation sales in Colombia contributed COP 409.596, which represented 32,1% of total revenues.

We continue to work on the development of our operations network, highlighting the ISO 14001 environmental certification for the cold cuts plant in Medellín; we increased the productivity of our plants in Colombia by 8,0% (KHH) and we made infrastructure improvements in all our facilities with investments totaling COP 48.217 Million.


Zenú

CÁRNICOS NUTRESA

The Free–Trade Agreement with the United States, which began on May 15, 2012, represented savings in the purchase of raw materials of approximately COP 6.600 Million, primarily in poultry, but we also recognize that this is a challenge because of the possible entry of finished products in the country.

SETAS COLOMBIANAS S.A

Setas Colombianas S.A. presented positive results in 2012 by contributing COP 43.213 Million in sales, an increase of 5,2% over 2011, and generating EBITDA of COP 9.323 Million, 34,4% more than last year and representing 21,6% of sales.

VENEZUELA

Sales totaled VEF 948,4 Million and grew 16,2% compared to sales in 2011, a 2,3% decrease in volumes. EBITDA stood at VEF 39,5 Million, representing 4,2% of sales, 2,9 percentage points less than the previous year. The political and economic environment of Venezuela, accompanied by new governmental requirements, especially on labor issues, affected the profitability of the Business.

PANAMÁ

The operation in Panama had a positive year in 2012. Sales grew 3,2% from the previous year and stood at USD 32,3 Million. In 2012, work was carried out to strengthen the processes of the operations network and significant investments of USD 1,2 Million were made to improve the Panama City production facility. This helped to increase profitability by obtaining an EBITDA of USD 1,2 Million, corresponding to a margin of 3,7%.

OUR PEOPLE

Investments in training and wellness, for a value of COP 29.988 Million, were made in 2012. *Cárnicos Nutresa* generates 9.160 jobs in the three countries where it has operations (5.042 direct employees).

In 2012, the organizational climate in Colombia was remeasured, with a result of 87,7%, which places it in the superior level, highlighting the growth of variables, such as teamwork and organizational coherence and clarity.

Principal Brands

- Zenú
- Ranchera
- Rica
- Pietrán
- Cunit
- Hermo

Our distribution model in the traditional cannel was consolidated and reached 175.700 clients with refrigeration systems, corresponding to a 67% coverage of our total clients.

71,6%
market share

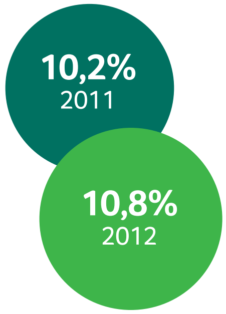
COP409.596
Million in innovation sales in Colombia

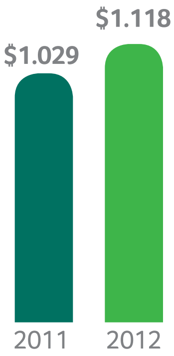
32,1%
of the sales in Colombia were for innovative products

9.160
employees in the Business

COP29.988
Million invested in training

GALLETAS NUTRESA BISCUIT BUSINESS





Presence in 55 countries
Plants in Colombia, Costa Rica and the United States

The Biscuit Business generated revenues for COP 1 Trillon, 117.667 Million, an increase of 8,6% compared to 2011. EBITDA was COP 120.914 Million, growing 15,1%, which represents a 10,8% margin on sales. In Colombia, sales reached COP 658.706 Million and grew 10,4%. International markets closed with USD 255,3 Million in sales and 9,3% growth.

COLOMBIA

Growth is leveraged in the strengthening of the brand, valued innovation and loyalty. From the strengthening of the brand, we achieved levels above 88% in total recall of our principal brands. *Saltín Noel, Ducales* and *Tosh* excelled with sales growth of 9,1%, 11,2% and 19,3%, respectively. The market share reached 54% in value, maintaining leadership in key segments, highlighting *Saltín Noel* with 69,4% of the cracker segment, growing 2,1 percentage points.

CENTRAL AMERICA

Pozuelo centered its efforts in consolidating distribution in Guatemala and El Salvador. Sales growth in the region was 10,2%, with outstanding dynamics in Panama, where growth reached 33,4%. The market share was 35,6% in value. Also highlighted is the 8% increase in productivity at its plant.

THE UNITED STATES

Fehr Foods has established itself as an important driver of sales growth, reaching a total of USD 78,7 Million, 20,5% more than the previous year. Growth in the dollar–store channel and the introduction of brands like *Festy* in the United States and *Nucita* in Mexico explain this growth. Projects, such as the implementation of SAP and the expansion of a new line of biscuit production for USD 4,5 Million, which provides an additional 40% in capacity, were successfully executed.

In the United States, we have coded the *Chiky* brand in 854 points of sale in the principal chain, as well as strengthening the Hispanic market on the East Coast.

Our market share was 54% in value. To increase sales, we worked on strengthening the brand, innovation, value and loyalty.

> Our market share was 54% in value. To grow in sales, we worked in brand building, valued innovation and loyalty.

OTHER MARKETS

Exports to other markets grew 3,1% in Dollars, with superior performance in Brazil and Puerto Rico. It is important to highlight the 51% growth of the *Tosh* brand, both in volume and in value, achieving presence in 24 countries.

INNOVATION

New product sales totaled COP 131.125 Million, 11,7% of sales. In Colombia, innovation under the *Saltín*, *Tosh* and *Minichips* brands reached sales of COP 40.071 Million, a growth of 169%. Furthermore, Fehr Foods had new product sales of USD 6 Million, while *Pozuela* reached USD 7,1 Million with *Bokitas*, *Chiky* and *Recreo*, which grew 42%.

PRODUCTIVITY AND EFFICIENCY

Outstanding profitability management was supported by discipline in executing expenditures and good behavior of the prices of the principal raw materials. Productivity improved 3,8% through integration and efficiency plans of the productive platforms.


noel
DUCALES
estival
CHOCOLA
Saltin
noel
Zenú
Tradicional

GALLETAS NUTRESA

Principal Brands

Profitability strategies in exports allowed a per–kilo price valuation of 9,1%, thus maintaining our international competitiveness.

EMPLOYEES AND COMMUNITY

The Business closed 2012 with 3.332 direct employees in Colombia and abroad. *Pozuela* Costa Rica showed important gains in the year in accidents and absenteeism, with reductions of 34% and 22,3%, respectively. Meanwhile, *Noel* continues to promote the culture of a balanced life and wellness in all dimensions of being, with the philosophy of *Live with Meaning (Vive con Sentido)*. This program was awarded by *Grupo Nutresa* as an exemplary practice and it obtained first place nationally in the Colombian Heart Foundation *Responsible Hearts* (*Corazones Responsables*) contest.

Noel participated in three convocations with the Government (*SENA* and *Colciencias*), capturing resources for COP 350 Million to support innovation and productive technological development. In the Vidarium Nutrition, Health and Wellness Research Center, the research entitled *Optimizing Wheat Flour via Enzymatic Mixture Adjustments and Application* was recognized; in France the *Compensation for Tosh's Carbon Footprint* project was presented in the LCA Food 2012 Conference.

This year, the 25th version of the Christmas Show *(Espectáculo de Navidad)* was held; this is a musical and choreographic show that *Noel* provides to the city every year. The theme was *The Light of Christmas,* with a total of 75 functions, which had an estimated attendance of 83.984 spectators. We have advanced in the consolidation of the strategy of future consumers with 45.974 children visiting *Noel World* (*Mundo Noel*) and 414.405 children visiting *Pozuelo World* (*Mundo Pozuelo*).

Fehr Foods achieved USD 78,7 Million in sales, 20,5% more than last year. This growth is due to the development of channels and the introduction of new products in the United States Market.

3.332
employees in the Business

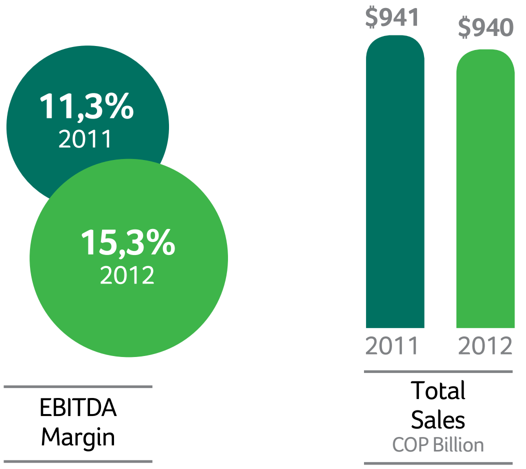
9,1%
the increase in price per kilo in exports

3,8%
improvement in productivity

3,1%
Dollar growth in exports to other markets

11,7%
of sales from new products

CHOCOLATES NUTRESA
CHOCOLATE BUSINESS



Presence in 40 countries
Plants in Colombia, Costa Rica, Mexico and Peru

In 2012, *Chocolates Nutresa* closed with consolidated sales of COP 939.774 Million, decreasing 0,1%. The consolidated EBITDA for the Business was COP 143.611 Million, representing 15,3% of sales, an increase of 34,8%.

COLOMBIA

Sales in Colombia reached COP 670.849 Million, an increase of 4,8%. Consumer prices were down during the period, following the trend of the cost of supplies. Marketing focused on strengthening the key brands, growing in innovation, and campaigns for the promotion and affordability of the portfolio.

The Business maintained its leadership in the categories of confectionery chocolate and chocolate candy, which grew 1,8% and 2,8% in value, and closed with a market share of 63,8% and 64,5%, respectively. Likewise, the nuts market and the cereal bar market grew 14,9% and 10,3%, respectively, in value, and we closed with market shares of 48,3% and 80,1%, respectively. The category of milk modifiers, in which the Business is second, grew 5,7% in value and closed the year with a market share of 28,3%.

Programs and events, such as “Let’s go out for chocolate” (*A Chocolatear*), the Young Creators’ Runway (*Pasarela Jóvenes Creadores*), Jumbo Concerts (*Jumbo Conciertos*) and the celebration of the 50th anniversary of Jet, contributed to the positioning of the brands. Similarly, innovations, such as Corona Flash, Chocolyne Milkshakes (*Chocolyne Malteada*), Chocolisto Double Chocolate (*Chocolisto Doble Chocolate*), Jet Saurios, Jet Ácida, Jumbo Combi, among others, were well received by consumers. We also entered the milk drink segment with Ready to Drink Chocolisto (*Chocolisto listo para tomar*); *Montblanc* stood out as the seasonal leader and *Santander* renewed its image. Existing and new products ensured adequate currency fractions for consumers. New products represented 8,8% of the Business’ total sales.

The Rionegro and Bogotá plants were awarded once again as leaders in environmental excellence as *Progresa* and *PREAD* Leaders (an award from the Environmental Secretary of the Bogotá Mayor’s Office). The Compassbranding and Raddar study reported the mass consumer ranking of food brands, highlighting JET as the fourth and *Chocolisto* as the seventh most valuable brands in Colombia.

INTERNATIONAL

Sales outside Colombia accounted for 28,6% of the Business, reaching USD 149,6 Million, a decrease of 7,7%, caused primarily by the performance in the Mexican market, the Venezuelan market due to the currency restrictions in the country, and the lower sales of subproducts.

Strengthening key brands, innovation and portfolio affordability campaigns were the key market strategies.

The international strategy focused on portfolio profitability, innovation, exploitation of platforms and strengthening distribution. Additionally, sales began in New Zealand, the Philippines, Australia, the Dominican Republic, Togo and Angola.

In Mexico, local sales closed at USD 53,1 Million, a decrease of 8,3% in U. S. Dollars and 2,8% in Mexican Pesos. The beginning of the year was affected by the adjustment to the new health care law and less momentum in the wholesale channel. We highlight better performance in the second semester and the positive impact of innovations, such as *Nucita* Triangle, *Cremino Barquillo,* Emotion Coins (*Monedas Emociones*) and the *Nucita Cookies.*

Strengthening key brands, innovation and portfolio affordabiity campaign were the key marketing strategies.


CORONA

CHOCOLATES NUTRESA

Peru had an excellent year, registering national sales for USD 57,0 Million, an increase of 8,6%. It strengthened its leadership in cocoas with a market share of 92%, highlighting the new *Cocoa Winters Cereales.* In Candy, progress was made in real chocolate, with the innovation of the *Fochis – Pícaras* and *Chinchín Saurios* bars. Sales of the Tosh cereal bars began.

In Central America, sales reached USD 19,7 Million, a decrease of 1,0%, due to the profitability and depuration of the candy portfolio. At the end of the year, products, such as *Chiky Brown, Chiky White, Choys Snack* and *Chocorace,* were launched with good perspectives. In chocolate beverages, the share was consolidated at 32,9% in the Central American market; we highlight the leadership in Panama and the entrance of *Chocolisto* in Nicaragua and Honduras.

EFFICIENCY AND PROFITABILITY

The costs for the year were favored by reductions in the price of cocoa beans and the global supply of sugar, cocoa and dairy products. The TPM productivity methodology advanced in the plants in Colombia, Peru and Costa Rica; implementation was begun in Mexico, becoming a source of competitive platforms. These factors, combined with the efforts at efficiency, automation and cost savings, allowed transferring benefits to consumers and increasing the profitability of the Business.

OUR PEOPLE

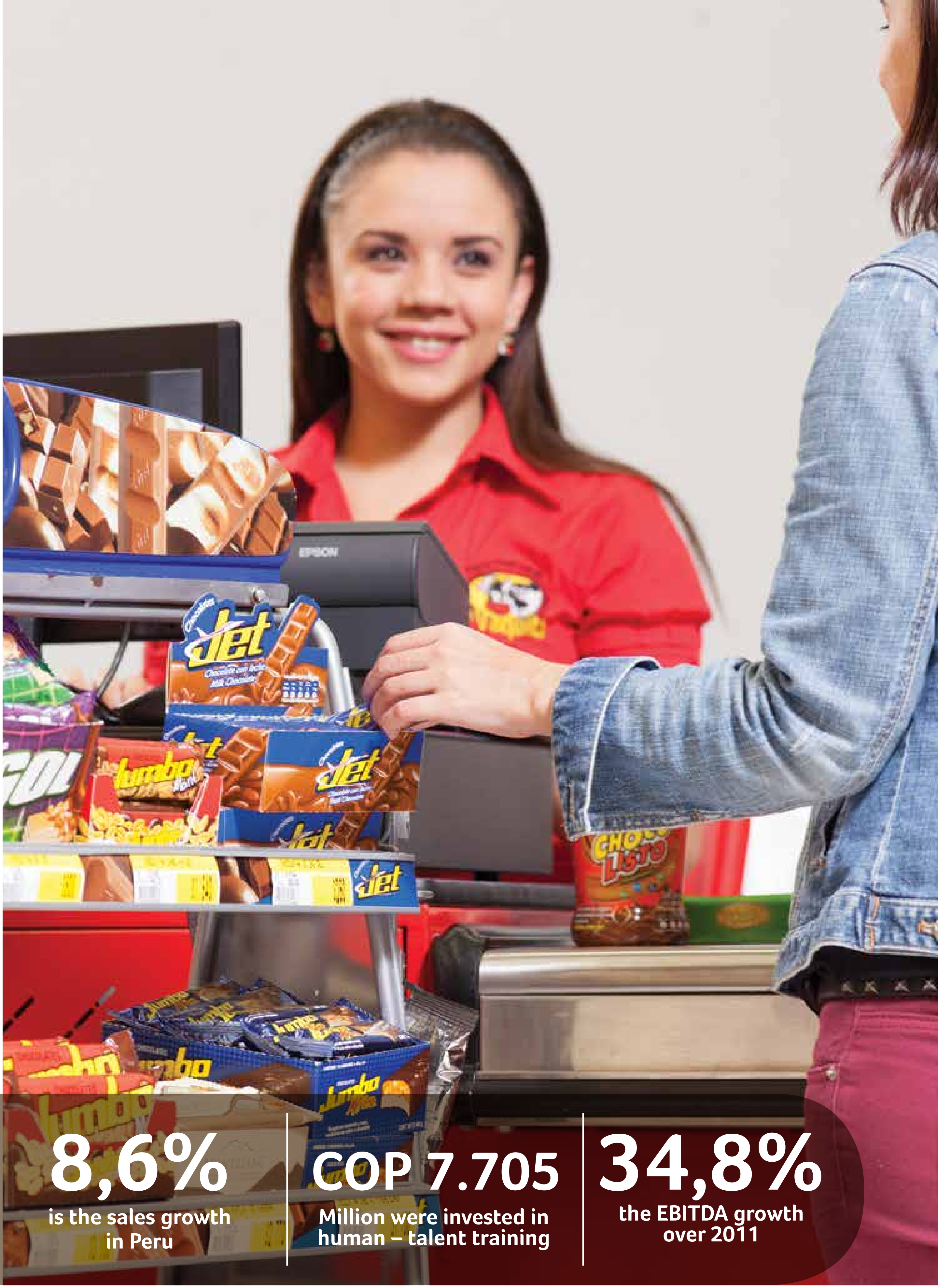
Our Human Resource strategy focused on leadership development, the culture of innovation, knowledge management and welfare of our employees and their families, with an investment of COP 7.705 Million. In Colombia and Costa Rica, occupational health management was recognized with the *Global Preventico* and Approval of Preventive Management (*Homologación de la Gestión Preventiva*) awards, respectively.

Principal Brands

Colombian sales reached USD 149,6 Million. Sales began in New Zealand, the Philippines, Australia, the Dominican Republic, Togo and Angola.

8,8%
of sales were from new products

The 4th
most valuable food brand in Colombia is *JET*

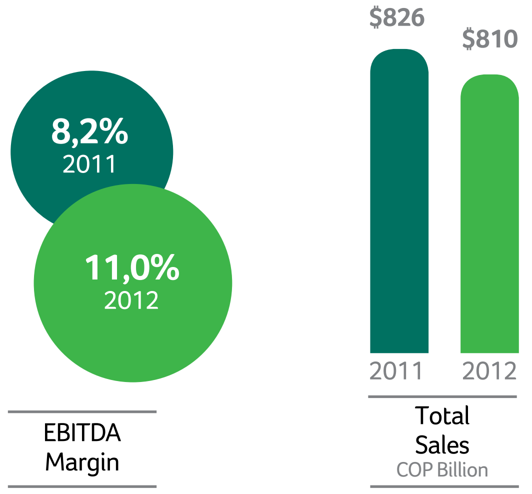


8,6%
is the sales growth in Peru

COP 7.705
Million were invested in human – talent training

34,8%
the EBITDA growth over 2011

CAFÉS NUTRESA
COFFEE BUSINESS



Presence in 46 countries
Plants in Colombia and Malaysia

Coffee Business total sales amounted to COP 809.978 Million, 1,9% below the previous year. Sales in the domestic market amounted to COP 524.505 Million, an increase of 9,2%. International sales totaled COP 285.473 Million, a decrease of 17,4% over the previous year. The financial result for the fiscal year was very positive, with a 32,5% increase in EBIDTA, reaching COP 89.346 Million, and a sales margin of 11,0%.

MARKETS

The coffee macro category in Colombia continues its positive trend. Its growth in the last year was 6,3% in value. The categories of roasted ground coffee and instant coffee rose in value by 3,9% and 10,2%, respectively. *Cafés Nutresa*, with its different brands *Sello Rojo, La Bastilla, Colcafé, Matiz* and *Bastiyá*, continues to lead the category with a share of 51,4%. In the segment of roasted ground coffee, it maintained its leadership with a market share of 57,5%. In instant coffee, it reached its maximum historical share of 41,4%.

Consolidated exports from Colombia to 45 countries were USD 156,1 Million, a decrease of 14,5%. This situation is explained by lower sales dynamics to North America and Europe, and by the limitations on imports of the product to Venezuela. The growth of 27% in the export volume of roasted ground coffee was outstanding, reaching 4.000 tons. Instant coffee sales under our *Colcafé* brand reached 34 countries, amounting to USD 17,0 Million, highlighting the presence in Latin American and Caribbean countries. In Asia, we are in South Korea and China, countries where we market our products in big chains under our brand.

ACQUISITION IN MALAYSIA

As a strategic investment for *Grupo Nutresa S.A.,* we reached an agreement to enter the Dan Kaffe (Malaysia) Sdn. Bhd. (DKM) as a shareholder, with a participation of 44%, together with the Japanese multinational companies Mitsubishi Corporation and Takasago International.

Its excellent location allows access to raw materials at competitive prices, as well as access to the logistics infrastructure, to be part of the rapidly growing coffee market in Asia.

We entered as shareholders, with a 44% participation in the DKM company in Malaysia, a strategic investment in the Asian market.

> We entered as shareholders, with a 44% stake, in the DKM Company in Malaysia. A strategic investment facing the Asian market.

Furthermore, its production capacity will permit combining our world–class experience in elaborating instant coffee with the in–depth knowledge of the Japanese partners of the Asian market, their advanced technologies in ingredients and flavors, and their extensive commercial network in the region.

With this investment, *Cafés Nutresa* will enlarge its role in the global coffee industry and diversify the production and origin of instant coffees.

RAW MATERIALS

National coffee production was the lowest in the past 30 years with 7,7 Million sacks, down 1% from last year and below the historical average of 11,5 Million sacks annually, resulting in 13 Million sacks that have not been produced in the last four years. The programs implemented by the National Federation of Coffee Growers of Colombia (*Federación Nacional de Cafeteros de Colombia*) to renew plantations have yet to show their results in volume. The limited production of green coffee has generated the need to import coffee to meet the demand of the industry, and *Colcafé* had to import 6,7% of the coffee it uses.


¡Qué buen momento
para un café!
Colcafé
te consiente.

CAFÉS NUTRESA

PRODUCTION

Our factories had major advances in efficiency, productivity, process innovation and technology. We optimized the use of the installed capacity of the three companies of the Business, with inter–company production of 7.085 tons of products. The TPM culture was reinforced, strengthening the learning of our employees and knowledge through synergies among the companies. Consolidated productivity of the plants grew 14,9%.

INNOVATION

We continue to strengthen innovation as a strategic part of the Business, generating differentiation in products and processes. This is one of our greatest competitive advantages, standing out as one of the best companies in the world of instant coffee. Our employees presented 221 Innovation Success (*Éxitos Innovadores*) proposals. In *Cafés Nutresa,* during the history of the program, 1.269 successful ideas have been achieved, 77 of which are of an environmental nature. Similarly, it should be noted that 15,2% of our sales were innovative products.

QUALITY

We strengthened our Comprehensive Management System, increasing the confidence in and satisfaction of our clients and consumers in our products. The Medellín plant has 16 certifications in quality, food safety, environmental, occupational health and safety systems and specific certifications for major international clients. *Industrias Aliadas* obtained the FSSC 22000 certification in Food Safety and the ISO 14.000 environmental certification, after making important environmental investments in filters and afterburners.

In association with the *Vidarium* Nutrition, Health and Wellness Research Center, we began the first study in Colombia of coffee and its effects on disease prevention, especially cardiovascular disease, associated with oxidative stress. This study will allow the acquisition of new knowledge with an emphasis in nutrition and health, and in line with the *Grupo Nutresa* Applied Innovation strategy. We participated in Association for Science of Information of Coffee (ASIC), the most important scientific coffee symposium in the world, with documented information on new developments in research related to the impact of our processes on the antioxidants in coffee.

Principal Brands

HUMAN RESOURCESS

Colcafé / Cafés once again obtained first place in the Organizational Climate Diagnostics conducted by the Organizational Behavior Research Center (*Centro de Investigación en Comportamiento Organizacional, CINCEL*), which was carried out among 57 Latin American organizations with more than 100 employees. This distinction was created by *CINCEL* in 2006 to recognize companies with the best management in organizational climate. Important to note is the fact that *Cafés Nutresa* has always led this ranking.

Colcafé / Cafés Nutresa has become a national business reference in the practice of hiring persons with disabilities. We ended the year with 37 employees with a physical or sensory limitation, among whom we sponsored eight apprentices with cognitive disability and one with a hearing disability in *SENA* (the Colombian Apprentice Service).

The Medellín plant has 16 certifications in quality, food safety, environmental, occupational health, safety and other specific certifications for international clients.

15,2% of sales were from innovative products

32,5% was the EBITDA growth

Cafés Nutresa product promotion activities in a Chinese supermarket.

The DKM Headquarters, Malaysia

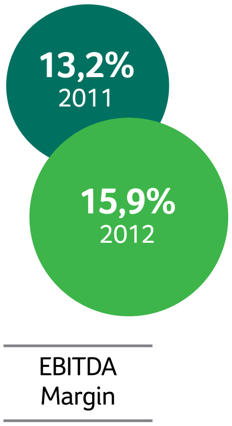
DAN KAFFE

1st
place in organizational climate among 57 Latin American companies

14,9%
growth in productivity

37
persons with physical or sensory limitations work in *Colcafé*

HELADOS NUTRESA ICE CREAM BUSINESS



Presence in 7 countries
Plants in Colombia, the Dominican Republic, Guatemala and Costa Rica

For *Helados Nutresa,* 2012 ended with a very positive balance in the development of its internationalization strategy, with the acquisition of 100% of American Franchising Corporation (AFC). AFC is the proprietor of the POPS ice cream parlor chain, which has significant presence in Costa Rica, Guatemala, Nicaragua and El Salvador. Eighty–five percent (85%) of its sales is made through its stores and the remaining 15%, through supermarkets. With this acquisition we have positioned ourselves as leaders in the indoor–sales segment in Central America and the Caribbean, with a profitability greater than that consolidated by the Business.

Helados Nutresa obtained excellent results, achieving total sales for COP 380.328 Million, a 19,2% growth compared to 2011. The operation in Colombia represented 88,5% of total sales, a growth of 18,8%. Sales abroad grew 26,4%.

The commercial dynamic in Colombia is the result of key actions, such as constant product innovation and growth in coverage in points of sale. Innovation sales represented 34,5% of the total. The *LENGUILETTA* popsicle stood out with sales exceeding 1,5 Million units per month.

Attending the growing market of take–home products, we continued to develop the Sinfonía Ice Cream Cakes. Likewise, as a result of understanding the indulgence for desserts and local flavors, the Handcrafted Ice Cream (*Helado Artesenal*) was consolidated with growth of more than 260%. At the end of the year, *Platillo*–one of the most traditional products among Colombian consumers–was reactivated with new flavors and a new presentation that permitted an outstanding commercial dynamic at the close of the year.

In developing alternative channels through *NOVAVENTA*, we reached 26.768 Business Mothers, as well as placing the first 60 ice–cream vending machines in Colombia. In traditional channels, the increase in national coverage continued, reaching 66.457 clients.

Helados Nutresa acquired 100% of AFC, the proprietor of the POPS ice cream parlor chain in Costa Rica, Guatemala, Nicaragua and El Salvador.

Helados Nutresa acquired 100% of AFC, the owner of the POPS ice cream chain, with presence in Costa Rica, Guatemala, Nicaragua and El Salvador.

In the Dominican Republic, the growth dynamics were based around activities to celebrate the 40th anniversary of the brand, under the concept *Made with Love (Hechos con Cariño),* which had permanent deployment and investment in mass media. Similarly, we continued marking differentiation and leadership in ice cream with innovation in seasonal flavors that provided novelty to consumers.

The Business profitability was outstanding with an EBITDA margin of 15,9% on net sales, equal to COP 60.509 Million; that is, an increase of 43,9% compared to 2011. These results were driven by lower costs, generated primarily by the profitability of the ton produced, by flexibility in production systems, and by access to raw materials at better prices.

The Business invested COP 7.270 Million in production technology to support the innovation process, COP 1.327 Million in infrastructure, and COP 26.939 Million in market growth.


CREM HELADO
Momentos mágicos
CREM HELADO
Momentos mágicos

HELADOS NUTRESA

Within the framework of Comprehensive Management, we obtained the *Colombia Sostenible* 2012 Gold Seal award for environmental responsibility, awarded by the *Fundación Siembra Colombia* and the Bogotá Water and Sewerage Company. This recognition was given to us for the water–recycling project, which allowed the reutilization of 3.462 m^3 of water in the cement–production process in a nearby plant.

Proper management of the work climate in 2012 allowed us to increase our measurement four (4) points over the result obtained in 2010. The positive perception in organizational clarity, coherence and teamwork are highlighted. With these results, the Business is located in the superior category of the *CINCEL* scale.

Principal Brands

- Crem Helado
- Polet
- Bocatto
- Aloha
- Fruti
- Helado Sinfonía Premium
- Helados Bon
- Pops

We reached 26.768 entrepreneur mothers through *Novaventa* and we placed the first 60 ice cream vending machines in Colombia

34,5% of sales were from innovation

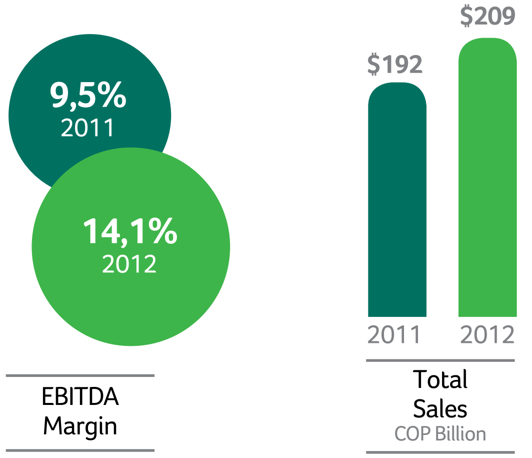
15,9% the EBITDA margin

43,9% EBITDA growth over 2011

19,2% total sales growth

COP 7.270 Million were invested in production Technology

PASTAS NUTRESA



Presence in 1 country
Plants in Colombia

2012 was characterized as a year of market consolidation, obtaining a share within the category of 50,7% in value, through our *Doria, Comarrico* and *Monticello* brands. This achievement is reflected in the Business figures, that closed the year with sales of COP 209.056 Million, 9,1% more than last year. The Business EBITDA was COP 29.472 Million, with a margin of 14,1% of sales and growth of 61,3%.

Based on deep knowledge of consumers, a strategy was proposed to increase pasta consumption by promoting different recipes and dishes. In the first semester, the *Doria* brand launched an offer with a free pasta pan; in the second semester, it began a massive campaign *Have More Happy Days with Doria (Haz más días felices con Doria).* Both activities commemorated the 60th anniversary of the Company. Also, it launched lighter weight and price presentations, and new filled–pasta products, such as meat and chicken ravioli and cheese tortellini. As a result of this strategy, Doria, as a leading brand, promoted a category growth of 2,7% and achieved a 37,8% market share in value.

The *Comarrico* brand was the second brand in sales volume in the Colombian market. Much of this success is based on the regional communication strategy, a permanent activation in the different regions of the country, and the development of different presentations according to the purchasing power of our consumers.

Monticello continues to grow in the *premium* segment with a market share of 2,0% in value, achieving growth of 20,4%. *Monticello* has earned 10 *Monde Selection* awards, which classifies it as a product of international stature.

PRODUCTION AND SUPPLY

The Business made significant progress in productivity and efficiency. We highlight the reduction from the previous year of direct labor by 1,4%, of indirect manufacturing costs by 7,3%, and operating costs by 3,3%. Productivity increased 2%.
Wheat had mixed performance in the year. During the first semester, wheat cost showed a downtrend, due to good climate and planting area expectations; however, in the second semester, adverse weather conditions during the growth stage of wheat generated an upward movement. The coming into force of the Free–Trade Agreements with Canada and the United States ensured the elimination of the tariff on wheat for the Business, regardless of its international value, which contributed to the competitiveness of the Business brands.

In supply and logistics operations, the primary logistics cost passed from COP 90,2/ton to COP 81,7/ton, due to better negotiation of fleets, inventory optimization and better utilization of capacity per vehicle. These improvements did not deteriorate the level of service, which rose from 96,9% to 99,1% is 2012.

Doria, the market leader, drove a 2,7% growth of the category, and achieved a share of 37,8% in value.


CORONA
HAZ MÁS
DÍAS FELICES
PARA TODOS
CON
Doria
PARA CONOCER MÁS
RECETAS
INGRESA
WWW.PASTASDORIA.COM
Doria

PASTAS NUTRESA

TRAINING AND WELLNESS

During 2012, the training and wellness program was aimed at developing technical tools, teamwork, leadership, a life project, a culture of self–care and safety. The Business conducted 21.268 hours of training, corresponding to 53,4 hours per person. This represents an investment of nearly COP 300 Million.

From the organizational culture, we continued forming successful, happy people, by promoting activities aimed at the integration of employees and their families, the creation of spaces for leisure and recreation, and the promotion of a healthy lifestyle. The investment made amounted to COP 2.353 Million.

INNOVATION

The Innovation Success (*Éxitos Innovadores*) Program in the Business continued awakening people's motivation; in the year, 366 proposals were generated, of which 104 were described as Innovative Successes. The estimated savings from these successes were COP 1.346 Million. Similarly, significant advances were consolidated in knowledge management of the Business' productive processes and, thanks to the permanent innovative process, 64,3% of our sales were innovation products. At year end, the Pasta Business had 654 direct and third–party employees.

Principal Brands

2012 was the year of market consolidation. Our brands *Doria, Comarrico* and *Monticello* totaled 50,7% of share in value.

COP29.472
Million – the Business EBITDA

61,3%
EBITDA growth over 2011

21.268
hours of training received by our employees

64,3%
of sales were from innovation products

654
employees in the Business

TRANSVERSAL ACTIVITIES

COMERCIAL NUTRESA

For *Comercial Nutresa,* 2012 was the year of consolidation of our business model. During this phase, some processes were aligned to generate operating efficiencies, taking into account the Organization's market competitiveness. Within these efficiencies are resource reallocation in some commercial processes, adjustments in the frequency of visits to clients according to their needs, and increased vehicle occupancy in our distribution vehicles.

Our portfolio consists of 1.460 references of 56 brands. The Business has 1.969 direct employees, serving the three sales channels. Large Chains have specialized comprehensive attention teams, known as *account teams.* Traditional supermarkets and Self–Service stores are distributed in seven geographical regions, making our products available to 210.661 clients, which are served with four sales forces, according to the segmented portfolio, designed to giving them the best value.

Our main short– and medium–term challenge is to ensure the delivery of our products to more clients in the country. With a truly differentiated, powerful value proposal, we attend the 25 segments in which we have divided our clients by expressing the brands at the point of sale and bringing them closer to our consumers.

In 2012, our commercial management generated sales of COP 1 Trillion 871.360 Million, an increase of 6,8% compared to 2011. The numerical distribution of our businesses, which measures the presence of our products at the point of sales, was 53,1% of total stores, according to the Nielsen figures for the 16 categories measured. Our operation presented efficiency in its cost–to–serve, equivalent to 0,4%. The customer–satisfaction index had a score of 4,64, which places us in a high level of satisfaction, when compared to other mass–consumption companies.

NOVAVENTA

Novaventa earned a revenue growth of 27,1%, reaching COP 225.917 Million in 2012.
In the Direct–Sales Channel, revenue grew 27,8%, from COP 145.530 Million to COP 185.776 Million. The number of Business Mothers grew 12,0%, to 73.903; orders increased 23,3%. This channel implemented the following projects:

- *Delta,* which strengthens the Value Proposition for Leader Mothers, through the consolidation of the business model.
- In the *El Carmen de Viboral* operations center, we implemented the third Picking line and we began its expansion.
- We introduced the marketing of Ice Cream in the catalogue, with sales of COP 1.398 Million in the year.

The Vending–Machine Channel is the first Vending Machine operator in Colombia, with 3.323 snack machines, 60 ice cream machines and 3.309 coffee machines, for a total of 6.692 vending machines. Revenue grew 24,7% to reach COP 40.141 Million in 65 Million transactions. This channel executed the following projects:

- Payment models, which offer purchase alternatives to clients and consumers through different alternatives, including the new option with a proximity card.
- The business–management model for institutional coordinators and vendors, developing skills in strategic sales and standardizing processes.

LA RECETTA

The year 2012 was a dynamic year in the institutional market. The restaurant sector grew 9,1% and tourism, 4,3%. The strength of the *La Recetta* model is reflected in its results, growing 17,5% over the previous year, generating net sales of COP 172.881 Million, with a competitive cost–to–serve. Similarly, 11 coded product portfolios were offered, which complement our service offering.

We closed the year with 499 employees and recognition as the *Third Company with the Best Working Environment,* awarded by *CINCEL* in Latin America. Regarding service, the company was recognized with the *La Barra* award as the *Most Complete Supplier of the Year* in the institutional market.

In line with generated growth and according to our business plan, we expanded storage capacity in Cali and office capacity in Bogotá, which has generated efficiencies and better coverage of the sales force. We also implemented the joint–operation integration model with *Alpina S.A.,* which resulted in immediate cost benefits.


La Recetta
Zenú
Jamoneta

SERVICIOS NUTRESA

Servicios Nutresa is a company that leverages the competitive strategy of the *Grupo Nutresa S.A.* Businesses through shared business services with high levels of process efficiency and quality in the areas of Finance, Administration, Risk–Management and Auditing, Legal, Human Development, Corporate Communications, Information Technology, Marketing Support and Logistics Projects.

Focused on increasing productivity while maintaining an adequate level of service, during 2012 we successfully implemented the SAP operating system in operations in Mexico, the United States and Colombia (*Industrias Aliadas*), and we prepared for the change in the Dominican Republic in January 2013.

We also began a project dedicated to improving the procurement process, achieving significant savings.

Always searching to have competent, committed staff, we developed a model for improving leadership. We created our *Service School* within the Company and we began a pilot telework project, which increases the productivity and quality of life of our employees.

On the financial front, we made progress in the Planning, Budget and Projection Project, which will culminate in 2013, and we are prepared for the implementation of International Accounting Standards in several companies where we operate.

THE IMPLEMENTATION OF THE SAP SYSTEM IN MEXICO, THE UNITED STATES AND IN *INDUSTRIAS ALIADAS*, IN COLOMBIA, AND THE GENERATION OF SAVINGS IN THE SUPPLY PROCESS ARE PART OF THE FOCUS TO INCREASE PRODUCTIVITY.

Corporate Governance

CORPORATE GOVERNANCE

Committed to its values and with an ethical business conduct, *Grupo Nutresa S.A.* has adopted the most relevant global practices in the area of corporate governance in order to continue generating the greatest confidence in shareholders, clients, suppliers, employees and the community in general. The Code of Good Governance, the Code of Ethics, the Manual for the Prevention of Money Laundering and Financing of Terrorism, the Internal–Control Systems, the Ethics Hotline and the Board of Directors' Support Committees, are key in the development of these practices and represent agile tools that permit compliance of the Corporate philosophy and performance.

The Code of Good Governance establishes the standards of behavior for daily activities with *Grupo Nutresa's* national and international companies. It also defines the commitment to respect ethical principles from the State, the community, shareholders and other investors.

During 2012, the Board of Directors satisfactorily fulfilled its functions, including the quarterly approval of the financial statements, the overseeing of the internal–audit programs, accompanying and approving administrative management related to the acquisitions made during the year, and supervising compliance with the timely, complete and truthful disclosure of information to the market.

The Committees, all presided over by independent members, support the Board of Directors and fulfilled their functions, including:

The Finance and Audit Committee, composed of four independent members from the Board of Directors, considered the financial statements before being submitted for approval by the Board of Directors and the Assembly of Shareholders; it supported the Board of Directors in making decisions regarding the financial situation, internal control and its effectiveness.

THE CODE OF GOOD GOVERNANCE, THE CODE OF ETHICS, THE MANUAL FOR THE PREVENTION OF MONEY LAUNDERING AND FINANCING OF TERRORISM, THE INTERNAL–CONTROL SYSTEMS, THE ETHICS HOTLINE AND THE BOARD OF DIRECTORS' SUPPORT COMMITTEES, ARE KEY IN THE CORPORATE GOVERNANCE MANAGEMENT.

The Appointment and Retribution Committee, composed of three Board members, one of whom is an independent member, presented the annual report on policies applicable to the remuneration and economic benefits of our human talent.

The Board of Directors' Issues Committee, composed of three Board members and the Company CEO, supervised the Board processes and recommended the appointment of an independent member as President of the this Board Committee; this recommendation was welcomed by the Board.

The Corporate Governance Committee, composed of three members, two of whom are independent members, reviewed and evaluated the manner in which the Board of Directors complied with its duties during the period.

The Strategic Planning Committee, made up of four Board members, two of whom are independent members, reviewed the 2011–2015 Strategic Plan and made its comments and respective proposal for this document.

Team members, La Recetta in Bogotá

DURING 2012, THE POLICY TO PREVENT AND CONTROL THE RISK OF MONEY LAUNDERING AND FINANCING OF TERRORISM WAS IMPLEMENTED.

REFERENCE TO THE ASSESSMENT MATRICES FOR ASSOCIATED CORRUPTION RISKS AND ASSOCIATED INITIATIVES

During 2012, significant progress was made in developing the methodology to identify and assess the risks of the *Grupo Nutresa* Businesses, through the construction and updating of risk matrices for all the operations in Colombia and abroad. Company acquisitions, formalized at the end of 2012, were excluded.

This process included the evaluation of risks associated with corruption and the establishment of measures to deal with it, among which stands out the proposal of an anti–fraud and anti–corruption policy, which will be implemented in 2013 under the framework of the Code of Good Governance.

Along this same line and in accordance with current regulations, the Finance and Audit Committee of *Grupo Nutresa's* Board of Directors approved the management policy to prevent and control the risk of money laundering and financing of terrorism, which is applicable to all the companies that compose *Grupo Nutresa* and other related third parties.

THE ETHICS HOTLINE: FOR THE TRANSPARENCY OF OUR MANAGEMENT

Grupo Nutresa strengthens the policies and practices that enable the transparent management of its operation. The Ethics Hotline is a complementary mechanism that ensures timely reporting of actions contrary to the Law and the Code of Good Governance. It is a confidential channel operated by an independent entity, in which employees, shareholders, clients, suppliers and third parties in general may report situations that go against the interests of the Organization in aspects such as:

- Misappropriation or misuse of company assets
- Conflicts of interest
- Participation in activities, businesses or operations contrary to the law
- Business practices against the interests of the companies
- Abuse of administrator, officer or employee status of the companies for personal gain
- Misuse of confidential information
- Acceptance of gifts, favors, invitations, travel, payments and, in general, perks that may influence business or operating decisions, in direct or indirect benefit of those who grant these favors
- Falsification of contracts, reports or records
- Situations of infidelity and disloyalty to the Organization
- Other activities or behaviors that are performed against the interests of the companies and the Code of Good Governance.

Through the Ethics Hotline, 42 reports were received and attended by the Organization's control entity; they were channeled through the areas responsible in each one of the Businesses. The situations reported, their results and the acts of corruption mentioned were communicated to *Grupo Nutresa's* Audit Committee.

The Ethics Hotline
01–8000–518–188
lineaetica@nutresa.com

RESPONSE TO INCIDENTS OF CORRUPTION

During 2012, there were 85 incidents of corruption committed against the *Grupo Nutresa* companies, which included items worth USD 154.354, classified as: 75 cases of misappropriation of company resources, four (4) cases of forgery, three (3) cases of conflict of interest, and three (3) for manipulation of information; 122 persons directly or indirectly related to the companies were involved. The labor relation with all staff involved was ended and the appropriate legal action was taken. To cope with this kinds of events, the *Grupo Nutresa* companies have adequate insurance coverage.

Grupo
nutresa

Medellín, March 2013

Mr.
BAN KI-MOON
Secretary General
THE UNITED NATIONS

In the fourth communication of progress, we present the level of advancement of the organization and how we have transversally incorporated sustainable development in our actions in the different business processes. In turn, we have indicated the interaction with our related groups and the material matters that are of interest.

We have integrated the Global Compact principles with the GRI indicators for monitoring: the topics of good corporate governance, the materiality of matters for our stakeholders and how we promote the sustainability strategy in the value chain.

The most significant development that responds to the conviction we have of the Global Compact initiative is the creation of our Human Rights Committee, a comprehensive management system that provides a common framework for all the *Grupo Nutresa* companies to implement policies and practices that contribute to the promotion of and respect for human rights. Inspired in the John Ruggie's framework of action principles, we have incorporated the pillars of Protect, Respect and Remedy in our management system.

Finally, we have defined that the verification of all sustainability matters will be audited by KPMG, to achieve transparency in communication.

Sustainable development is a Grupo Nutresa strategic framework; it is part of our corporate philosophy and it is associated with our business management definitions and actions. We share and promote this vision with all our stakeholders as an important global initiative, which permits building, collectively and voluntarily, a sustainable world for present and future generations.

Kind regards,

CARLOS ENRIQUE PIEDRAHÍTA AROCHA
CEO

THE GLOBAL COMPACT
WE SUPPORT

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

We welcome feedback on its contents.

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

Teléfono 57 (1) 6188100
Fax 57 (1) 6188127
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Independent Auditor's Report on Limited Assurance for the *Grupo Nutresa S. A.* Management

We have been engaged by the *Grupo Nutresa S. A.* Management to provide limited assurance on the non–financial information contained in the *Grupo Nutresa S. A.* Annual and Sustainability Report for the year ended on December 31, 2012 (herein referred to as THE REPORT). The information reviewed is limited to the content referenced in the GRI content index published on the Webpage www.gruponutresa.com -> Sustainable Development.

Management is responsible for the preparation and presentation of the Report in accordance with the Version 3.1 (G3) Guidelines to elaborate the Global Reporting Initiative (GRI) Sustainability Report and the food–sector supplement according to the information in the sub–section "Regarding this Annual and Sustainability Report". In this sub–section, the level of self–declared application, which has received the confirmation from Global Reporting Initiative, is detailed. Management is also responsible for the information and statements contained in the Report; the determination of the *Grupo Nutresa S. A.* objectives on the performance and presentation of information regarding sustainable development, including the identification of stakeholders and material matters, and the adequate establishment and maintenance of the control systems and performance management of the information reported.

Our responsibility is to conduct a limited assurance engagement and express a conclusion based on the work done. Our engagement has been conducted in accordance with the International Standard for Assurance Engagements (ISAE) 3000, *Assurance Engagements other than Audits or Reviews of Historical Financial Information,* issued by the International Auditing and Assurance Standard Board (IAASB). This standard requires that we plan and conduct our engagement in order to obtain limited assurance on whether the report is exempt from material errors and that we comply with the requirements of independence included in the Ethical Code of the International Federation of Accountants, which establishes detailed requirements regarding integrity, objectivity, confidentiality and professional behavior and qualifications.

A limited assurance engagement of sustainability information consists of formulating questions, primarily of the persons responsible for preparing the information presented in the Report, and applying analytical procedures and other means to gather evidence as appropriate. These procedures included:

- Questioning Management to obtain an understanding of the process conducted by *Grupo Nutresa S. A.* to determine the material matters for the *Grupo Nutresa S. A.* stakeholders.

- Interviews with Management and relevant staff at the group level and the selected businesses, regarding policies and strategies on material issues and their application to business.

- Interviews with relevant *Grupo Nutresa S. A.* staff, at the corporate and business level, who are responsible for providing the information contained in the Report.

- Visits to the *Alimentos Cárnicos, Noel* and *Compañía Nacional de Chocolates* installations, selected according to a risk analysis and considering quantitative and qualitative criteria.

KPMG

- A comparison of the information presented in the report with the information corresponding to the relevant underlying sources to determine if it has been included in the report.

- Analysis of the collection and internal–control processes of the quantitative data reflected in the Report, regarding the reliability of the information, using analytical procedures and screening tests based on sampling.

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

- Verification that the financial information reflected in the Report has been taken from the *Grupo Nutresa S. A.* annual accounts, which have been audited by independent third parties.

- Verification that the data of other indirect emissions and the corporate water footprint reflected in the Report correspond to the data of other indirect greenhouse gas (GHG) emissions and the corporate water footprint verified by an independent third party.

The scope of the evidence–collection procedures conducted in a limited assurance engagement is less than that of a reasonable assurance engagement and, therefore, the level of assurance provided is less.

Based on the previously described procedures conducted, nothing has come to our attention that indicates that the *Grupo Nutresa S. A.* Annual and Sustainability Report for the year ended on December 31, 2012, is not presented adequately, in all significant aspects, in accordance with the Version 3.1 Guidelines to elaborate the Global Reporting Initiative (GRI) Sustainability Report and the food–sector supplement according to the information in the sub–section "Regarding this Annual and Sustainability Report".

Our limited–assurance report has been elaborated solely for *Grupo Nutresa S. A.* in accordance with the terms of our engagement. Our work has been undertaken to express to *Grupo Nutresa S. A.* those matters on which we have been engaged to report in this limited–assurance report and for no other purpose. We do not accept or assume responsibility to anyone other than *Grupo Nutresa S. A.* for our work, for this limited–assurance report or for the conclusions we have reached.

In another document, we will provide *Grupo Nutresa S. A.* Management with an internal report that contains our findings and areas for improvement.

KPMG Advisory Services Ltda.

IGNACIO CORTÉS C.
Partner

March 8, 2013

Global Reporting Initiative™

Control Statement on the GRI Level of Application

GRI hereby states that Grupo Nutresa has presented its report “2012 ANNUAL AND SUSTAINABILITY REPORT” (*INFORME ANNUAL Y DE SOSTENIBILIDAD 2012*) to GRI’s Report Services, which have concluded that the report fulfills the requirement of Application Level A+.

GRI Application Levels communicate the extent to which the content of the G3.1 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3.1 Guidelines. To learn more about the methodology, please go to: www.globalreporting.org/Sitecollectiondocuments/ALC-Methodology.pdf.

Application Levels do not provide an opinion on the sustainability performance of the organization that has conducted the report nor the quality of its information.

Amsterdam, March 7, 2013

NELMARA ARBEX
Deputy Chief Executive
Global Reporting Initiative

A+
GRI REPORT
GRI CHECKED

The “+” has been added to this Application Level because *GRUPO NUTRESA* has requested external verification of (part of) its report. GRI accepts the good judgment of the organization that elaborated its report in choosing the verifying entity and in the decision regarding the scope of the verification.

Global Reporting Initiative (GRI) is a network organization that has promoted the development of the framework to develop the most widely used sustainability reporting in the world and continues improving it and promoting its global application. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental and social performance. www.globalreporting.org.

DISCLAIMER:
In cases in which the sustainability report in question has external links, including those that refer to audio–visual material, this certificate applies only to material submitted to GRI at the time of Control, dated February 28, 2013. GRI explicitly excludes the application of this certificate to any later changes to such material.

Increasing Value Generation

FINANCIAL SYNTHESIS

Regional Distribution Center; Antioquia, Colombia

The center of our strategic objectives is Growing Value Generation, supported by Sustainable Development. In *Grupo Nutresa,* we are convinced that only by ensuring harmony in our economic growth with a clear social and environmental commitment will we sustainably contribute to the development of our shareholders, consumers, clients, employees, suppliers, governments and the community in general.

Direct Economic Value Generated (COP Million)	2011	2012
Revenue from net sales	5.057.383	5.305.782
Revenue from financial investments	52.246	47.482
Revenue from sales of property, plant and equipment	9.088	48.111
Total	**5.118.715**	**5.401.375**

Direct Economic Value Distributed (COP Million)	2011	2012
Operating Costs	3.409.208	3.270.125
Employee salaries and benefits		
Salaries and Benefits	677.390	764.648
Social Benefits (subsidies, contributions to mutual funds, investments, support for higher education, wellness and quality of life)	54.934	56.401
Gross taxes and fees	171.205	221.518
Investments in the community	13.660	13.801
Payments to fund providers		
Dividends paid to shareholders	150.292	163.873
Interest paid on loans	64.191	52.675
Total	**4.540.880**	**4.543.041**

*The figure in social benefits in 2011 was restated, due to changes in the items included in 2012, in order to achieve comparability in the information from both periods.

INTERNATIONALIZATION STRATEGY IN EMERGING MARKETS

Grupo Nutresa has defined Colombia, Peru, Central America and the Caribbean, Mexico and the United States as its strategic region to strengthen and develop its brands, business and distribution networks. Colombia is the Organization's principal market and in recent years, it has dedicated much of its efforts to develop in other countries, mainly in Latin America, which is why most of its sales are made in emerging countries.

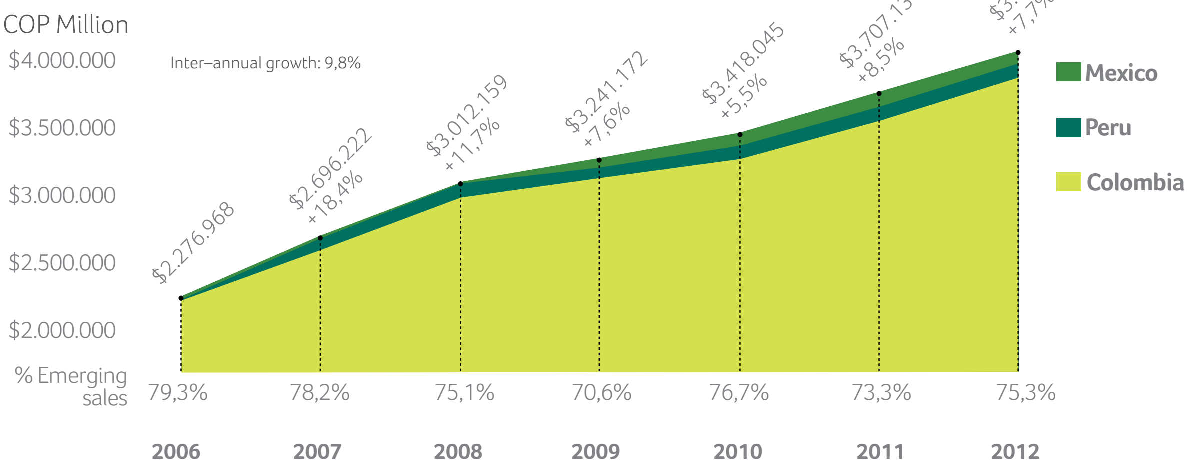
These markets are monitored regularly to define entrance or consolidation plans, in accordance with *Grupo Nutresa's* own Internationalization Model, which includes external and internal variables of the country, such as the market, capabilities, investments, clients, among others.

In 2012, *Grupo Nutresa* sales in Colombia were COP 3 Trillion, 794.761 Million, representing 71,5% of its total sales and an 8,5% increase over the previous year.

Grupo Nutresa sales in emerging markets in 2012 show growth of 7,7% over the previous year, reaching COP 3 Trillion, 994.359 Million.

7,7%
was the sales growth in emerging markets

SALES IN EMERGING COUNTRIES



Our portfolio strategy emphasized mass–consumer products that reach all strata of the population and meet the needs of variety, quality and nutrition, at an affordable price for all consumers.

Besides Colombia, *Grupo Nutresa* has production platforms in countries such as Peru, Venezuela, Panama, Costa Rica, Guatemala, the Dominican Republic, Mexico, the United States and, beginning in 2013, Malaysia. In order to develop products tailored to consumer needs and expectations, we incorporate improvements in products in the aspects of health and nutrition and we focus efforts to use packing materials that have less environmental impact. Simultaneously, we use our own commercial networks in 12 countries to distribute these products efficiently and accessibly. The range of prices and solutions for quality and nutrition have allowed us to consolidate, over almost 100 years of proximity to consumers, the leadership of brands in Colombia, Peru, Mexico, the Dominican Republic and Central America.

% SALES BREAKDOWN IN LATIN AMERICA

Country	% share
Colombia	71,5%
Mexico	1,8%
Peru	1,9%
Ecuador	1,0%
Central America	6,3%
The Caribbean	1,5%
Other Latin American Countries	7,6%

Each company designs its value proposal for local consumers, considering a highly differentiated portfolio of products in accordance with the needs for quality, nutrition, fractional money and purchasing power, considering the recognition of our brands. In the cases of Peru, Mexico, Central America and the Caribbean, market entry is strengthened through the acquisition of local companies, as well as distribution networks, which permits the arrival to different channels and a very good administrative team.

MULTI–LATIN AGENDA

In *Grupo Nutresa,* we ensure the transfer of knowledge and best practices to the operations in our strategic region through a Multi–Latin Agenda, which details the plans and programs that transfer all our own industrial and commercial operations from the Organization in Colombia. The major advances in 2012 in this program were:

- In business, it is important to highlight knowledge transfer in the two–way international operation in issues such as trade, negotiations with major chains, client segmentation and customer service, which was conducted with the support of *Comercial Nutresa* in Colombia. Also, progress was made in understanding the health laws in the different countries to determine the required adjustments in the portfolio of products and ensure compliance with the nutritional commitments of the Business.
- On the administrative front, we had the support of *Servicios Nutresa* teams and, thanks to group work with the international companies, compliance was achieved, among others, with the following initiatives: implementation of the SAP operating system in our own operations in Mexico, the United States and the Dominican Republic; the generation of strategic–risk matrices to ensure the sustainability of operations; and accompaniment in measuring organizational climate.
- Also, within the Multi–Latin Agenda, two projects were included for *Grupo Nutresa,* which will impact the medium–term international operation. These projects are associated with capturing savings through better procurement and supply practices and adjustment of product design as a source of value, and in the model that supports the *Grupo Nutresa* financial and strategic planning process. The latter integrated the threads of business planning, financial budgets, operating plans and financial projections.

INNOVATION AND RESEARCH

In *Grupo Nutresa* companies, we live a culture of innovation, which is the strategic framework for all the processes of the companies.

Imagix
apasionados por la innovación

Grupo Nutresa understands effective innovation as a strategic objective that allows it to achieve its vision. From our standard innovation–management model, *Imagix*, through the four fundamental pillars of culture, processes, resources and action framework, we formulate strategies and propose programs and tools that allow us to generate products, services and processes or improve those that exist.

0,50%
of sales were invested in innovation in 2012

INNOVATION MANAGEMENT

GRUPO NUTRESA BETS ON OPEN INNOVATION

In 2012, we launched Innovative Solutions (*Soluciones Innovadoras*), an open–innovation program that seeks to exploit the extended capabilities in innovation throughout *Grupo Nutresa,* sharing the challenges of the Businesses in a Web platform that allows all employees and people outside the Organization to participate with their proposed solutions. The scope of the first phase of the program, developed last year, included all the Businesses in Colombia; in 2013, it will be extended to those abroad and will involve more external audiences.

The results obtained demonstrate the creativity, teamwork and knowledge of our people:

- 898 inscriptions in the different challenges in 2012
- 159 solutions sent
- 13 challenges launched
- 12 prize winners

ARTICULATION WITH THE COLOMBIAN NATIONAL SCIENCE, TECHNOLOGY AND INNOVATION SYSTEM

Moving forward in constructing the development of innovation capacities in the context of competitiveness of the businesses and the Colombian Science, Technology and Innovation System, we are currently participating in a project co–funded by *Colciencias*, which forms part of Summons 534 of 2011. This project aims to strengthen innovation management and technological management through some project lines, such as:

- Identification of gaps in innovation culture and technological management
- Structuring the monitoring process of the environment
- Foresight exercise
- Innovation around business models

The Chocolate, Coffee, Pasta, Ice Cream, Biscuit and Cold Cuts Businesses and *Servicios Nutresa* are conducting this project in collaboration with external partners.

In 2012, the diagnostic phase of the innovation culture in *Zenú, Colcafé, Compañía National de Chocolates, Servicios Nutresa* and *Meals* was completed; plans were designed to close the gaps with key human resources.

"My main motivation to participate in Innovative Solutions is associated with the possibility of contributing to improve processes, always seeking a better way to do things and impact *Grupo Nutresa's* knowledge management. The open, transversal participation of everyone who is part of *Grupo Nutresa* plays a key roll in the success of this program because the different disciplines and experiences enrich and facilitate the solution of challenges. I look forward to bringing many more solutions to the program."

Juan Andrés Salazar G.
Winner of two Innovative Solutions challenges, and a *Servicios Nutresa S.A.S.* employee

ADVANCING TOWARD A CULTURE OF INNOVATION AND KNOWLEDGE MANAGEMENT

Innovative Success Stories (*Éxitos Innovadores*) is a program that motivates innovation through the participation of all the employees in our companies, by formulating and implementing ideas that generate added value in managing our people, in organizational culture and productivity, as well as in processes with clients, consumers and sustainable development. In 2012, 1.806 Innovate Success Stories were recognized in the different businesses. Of these, 146 have an environmental innovation component, which reflects our commitment in this topic.

The *Imagix* model has teams with skills developed to foster innovation in the companies; the Innovation Promoters, forming a network of 188 employees, form part of these teams.

KNOWLEDGE MANAGEMENT

The Knowledge–Management process in *Grupo Nutresa* supports effective innovation through methodologies that promote the construction, application, conservation and transfer of knowledge. In 2012, 10 business cases were documented in the Corporate Memory tool, in which the principal lessons learned in the creation, acquisition and merger of *Grupo Nutresa* companies were registered.

Similarly, tools were given that permitted the adequate management of knowledge; some of these tools are: Lessons Learned, Learning with Experts, Knowledge–Generating Events and Knowledge Maps. During 2012, we developed the Synergy Tables into Synergy Communities, with the mission of consolidating the work they have been doing from these management spaces, which bring together, according to their topic, professionals that lead the key processes of the companies to build, apply and transfer knowledge. *Grupo Nutresa* has 13 active Synergy Communities connected through a collaborative portal; they develop agendas to transfer knowledge and undertake transversal projects that leverage the competitiveness of the Businesses and *Grupo Nutresa.*

Knowledge management contributed to strengthening our human capital and the competitiveness of our companies. *Meals de Colombia* employees. Bogotá, Colombia.

EXEMPLARY PRACTICES: PERFORMANCES AND PROJECTS WITH HIGH IMPACT

Through the Exemplary Practices Program, our Organization identifies management experiences and projects inside our companies that stand out for their superior results and that can be replicated in other companies. Thus, knowledge becomes a *Grupo Nutresa* asset that contributes to strengthening processes and the competitiveness of the businesses, all framed within the scope of effective innovation.

The program recognizes and exalts the management teams of exemplary practices and maximizes their role of leading experts in their processes. With the application of knowledge–management methodologies, the Organization ensures the migration of models, contents and developments of exemplary practices selected each year.

In *Grupo Nutresa* we promote innovation and knowledge–transfer programs; one of these is Exemplary Practices, which identifies top–level projects and experiences and generates spaces to migrate them to other companies and recognize the teams that lead them.

EXEMPLARY PRACTICES 2012

Highlighted are the management models awarded in 2012:

Comercial Nutresa and Compañía Nacional de Chocolates with their respective practices applied to the commercial processes and marketing, contributed to the management of markets, the development of brands and the profitability and productivity of their businesses.

Vidarium, the *Grupo Nutresa* Research Center and *Colcafé* obtained the Exemplary Practice recognition for the work done in the development of research capabilities, a model that articulates the interaction between the Center and the Businesses, aimed at effective innovation and in line with the *Grupo Nutresa* axes of nutrition, health and wellness.

Compañía de Galletas Noel was recognized for its *Live with Meaning (Vive con Sentido)* Program, which promotes a balanced life in all dimensions of the human being. This model is recommended in the business sector by the Colombian Ministry of Social Protection.

RESEARCH MANAGEMENT

We invest in research projects that lead us to ensure that our products and processes are at the forefront while becoming more productive and better for consumers and the environment every day.

In 2012, we continued strengthening research as a process to bring about innovation in *Grupo Nutresa*. The results of an important number of research proposals allowed the consolidation of brand value proposals to consumers.

In order to generate relevant, pertinent knowledge for *Grupo Nutresa,* the relationship with Colombian universities and institutions, such as *Colciencias* and *SENA*, with which we have joined in science, technology and innovation–promoted by the Government–has been important. We have participated in programs linking professionals with doctoral education with young researchers to our company projects, both of which are financed with resources from *Colciencias*. We have also participated in summons addressed to promote technological development in key sectors and generate innovation capabilities. *Grupo Nutresa* companies are currently conducting an innovation–capabilities project, with resources obtained in *Colciencias* Summons 534.

RESEARCH IN *VIDARIUM*

The *VIDARIUM* Nutrition, Health and Wellness Research Center continues its task of generating knowledge to contribute to the business strategy, framed within the dynamics of the academic and scientific community. For this reason, its products have been classified in three categories: generation of new knowledge, human–resources training and social appropriation of knowledge. With *Vidarium's* participation in research projects in the field of obesity, products were generated that permitted that, in the *Colciencias* Summons 598 to recognize science, technology and innovation research groups, *Vidarium's* research group will be visible in the *Scienti* platform.

The *Vidarium* products that have begun their path are:

- Publication of new knowledge products in the *Biomédica* and *IATREIA* journals
- Formation of a Master's student and participation in the formation process of three under–graduate students
- Five presentations in national scientific events and three in international events, to disclose research results.

These projects have generated the momentum required to maintain an active research process, which already has new projects under design and execution, and thus, in the medium term, have full–cycle research lines, in accordance with its development plan.

KNOWLEDGE NETWORKS

In *Vidarium's* consolidation as a member of the academic and scientific community, agreements have been signed to develop collaborative projects with eight institutions. It has also formalized its participation in the *Cornucopia* Spanish–American Thematic Network for the Exchange of Knowledge with "Characterization, functional assessment and safety of Spanish–America fruit bioactive components as food ingredients," beginning its immersion in the knowledge networks in which its research will be shared.

GRUPO NUTRESA RESEARCH AWARD

The *Grupo Nutresa* Award for Research recognized the Cold Cut Business research teams, who took first and second place in the summons, and the Ice Cream Business, which placed third. This award encourages Scientific management in the *Grupo Nutresa* companies.
The Research Award ceremony, October 2012, Medellín, Colombia

For the second time, *Grupo Nutresa* held the research summons and award ceremony among its businesses to promote the scientific culture. In this edition, 21 projects participated, of which three were awarded the highest score:

- "Effectiveness of thermal processes in the elaboration of processed meat products"
- "Addition of a natural preservative in processed meat products"
- "Creating food habits in SEC 2 to 4 in the city of Bogotá: An ethnographic approximation to practices, symbols and meanings of food"

Special mention was given to the research entitled "Optimizing wheat flour through adjustments for mixtures and enzymatic application."

All these investigations correspond to relevant projects in the innovation strategy of the Businesses.

ACCESS TO NEW MARKETS

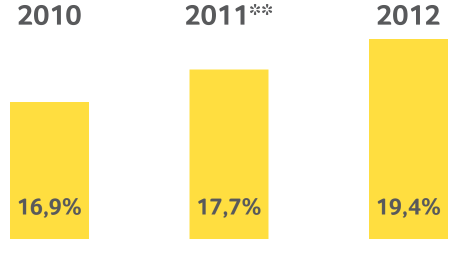
In its international–expansion strategy, *Grupo Nutresa* has generated some innovative mechanisms to leverage its management. The Organization's internationalization model is a tool that, based on the monitoring of some critical internal and external variables, allows us to determine the level of penetration we have in the *Grupo Nutresa* strategic markets, to monitor each semester, in the framework of international–management wheels, of the variables that measure how we are in access to distribution, access to the country and access to the market in each one of the countries defined. Based on this information, we establish strategic priorities for international management that allows us to advance and improve the variables measured.

Additionally, through the Multi–Latin Agenda mentioned in the section on Emerging Markets, we monitor the migration of *Grupo Nutresa* knowledge and best practices to our international operations so that we can work on developing the critical variables defined in the Internationalization Model under our control. Based on these two mechanisms, we have found an effective way to expand internationally in accordance with the performance of *Grupo Nutresa* in its strategic region.

DEVELOPMENT OF PROCESSES AND NEW PRODUCTS

During 2012, new products had a 19,4% participation in *Grupo Nutresa* total sales. The success rate of new–product launches was 41*.

% INNOVATION SALES / TOTAL SALES



* The measurement methodology of this indicator to define the 2020 goal changes with reference to that currently used.
** To obtain comparability, the 2011 indicator, which was presented as 17,4%, was restated; this figure did not include the Hermo innovation sales.

We manage our new–product development (NPD) projects using a methodology based on working stages and moments of decision. SAP tools support us technologically. We currently operate under this model in all the companies in Colombia, and, abroad, in the *Chocolates* Business companies and in Biscuits in Costa Rica.

TPM–TOTAL PRODUCTIVE MANAGEMENT: AN EFFECTIVE CONTRIBUTION TO PROCESS COMPETITIVENESS

In 21 of the 33 production plants of the *Grupo Nutresa* companies, the Total Productive Management (TPM) management model has been implemented; it is a world–class practice that allows us to improve productivity and process efficiency continually. The TPM methodology takes innovation projects forward that are focused on aspects such as increased capacity, reduced processing time, and water and energy consumptions, among others.

The implementation has been developed with unified external consultants for the *Grupo Nutresa* companies; each year we have strengthened our capability to transfer knowledge by conducting internal training. We also promote exchanges of knowledge, process homologation and reapplication of best practices among the work teams in the business plants.

The TPM management model is based on the consolidation of small teams that connect the strategy to the operation. Last year, there was an increase of indicators that reflect the work done: 345 small teams in our companies made 3.676 process improvements and 23.972 one–point lessons, which makes it possible for participants to learn from the situations identified and share solutions.

One of the key activators for this continuous–improvement process is staff training. During 2012, 19.104 attended the internal training sessions and 96 participated in external training.

Total Productive Management (TPM) management model is applied in the *Grupo Nutresa* companies. TPM boosts productivity and continuous process improvement. The *Alimentos Cárnicos* plant; Caloto, Colombia

CÁRNICOS NUTRESA (Cold Cuts)

THE *RICA* AND *CUNIT* MEATLOAF

The *Rica* and *Cunit* brands launched "Meatloaf," in response to a need of their consumers. In line with the positioning of the two brands, oriented to offer consumers good cost/benefit products, this food is a new alternative for different moments of consumption, such as breakfast, lunch and dinner.

RANCHERA RIBS

Smoked, pre–grilled, with high meat content and the unique flavor of this delicious brand, *Ranchera* Ribs provides news to consumers and gives impetus to the ribs segment. They come in 500–gram, vacuum–packed presentations, packed in a resealable outer pack.

ZENÚ HOT–DOG FRANKFURTER

The *Zenú* Hot–Dog Frankfurter is ideal for those who value wellness and dedicate time to enjoy everyday moments, seek convenience in food and have a simple, happy, positive lifestyle. As a good source of protein, it prevents malnutrition, aids growth and development, and contributes to tissue repair and correct learning process. They come in presentations of 480 and 640 grams.

ZENÚ, A GOOD SOURCE OF PROTEIN

Zenú continues to strengthen its position as a brand that offers products that contribute to the nutrition of Colombian families, adding more products to its nutritional "Good Source of Protein" claim. To date, it accounts for more than 73% of the products in its portfolio, which implies balancing its levels of fat and sodium to highlight the protein contribution of its meat origin.

GALLETAS NUTRESA (Biscuits)

TOSH SUNFLOWER SEEDS

The new *Tosh* Sunflower Seeds crackers have all the benefits from the mixture of sunflower seed, wheat bran, the natural sweetness of honey, and only 120 calories, free of artificial preservatives and flavors, trans fats and cholesterol. *Tosh* Sunflower Seed Crackers have the endorsement to state that it is a good source of fiber as its main benefit, meeting the needs of the consumers of this segment who always want to indulge themselves with what they eat, taking care of their health and figure by looking for more natural products that allow them to find this balance and feel they are doing something good for themselves.

THE *NOEL* CHRISTMAS PORTFOLIO

The 2012 Christmas season presented a comprehensive portfolio with multiple options, especially designed for sharing and gift giving in this wonderful time of the year. Among the twelve product innovations were Party Mix that brought the proposal of a new moment of consumption with a variety of crackers to accompany family celebrations; the 80–gram *Noche Buena* bag, exclusive to stores, and the low–cost christmas packaging showcase that facilitated access for all consumers with an economical alternative without forgetting all the magic of the *Noel* Christmas.

MINICHIPS BLACK

Noel continues the growth and innovation of its MiniChips brand, with the limited edition of chocolate cookies with colored chips. With this innovation, the brand continues connecting with the lifestyle of adolescents, its main consumers. MiniChips Black is so delicious that you can't eat just one because "with MiniChips, many aren't so many."

SHORTBREAD

Fehr Foods, with its Lil' Dutch Maid brand, launched its new Shortbread cookie in the United States market. It is a butter cookie, familiar to the American palate, at a highly affordable price for consumers.

MERENDINA FLIP

The *Pozuelo* Biscuit Company launched its innovative *Merendina Flip* in the Costa Rica, El Salvador and Guatemala markets. Delicious cupcakes, they have two layers of the traditional vanilla–flavored *Merendina* cream and three layers of cake. It is available in three presentations: frosted with dark chocolate, white chocolate or without frosting.

CHOCOLATES NUTRESA (Chocolates)

CHOCOLISTO NOW IS A READY TO DRINK BEVERAGE

With the *Chocolisto* brand, *Compañía Nacional de Chocolates* entered a new category in 2012: Ready to Drink Beverages. *Chocolisto Listo* has two delicious flavors: chocolate and strawberry, with the nutritional package of vitamins and minerals that the brand has in all its presentations.

CORONA FLASH

Corona, the #1 brand in the Colombian market, launched the new *Corona* Flash, a chocolate instant–powder drink that is prepared in seconds, with a delicious flavor to enjoy hot or cold, for the entire family. With this innovation, the chocolate beverage category is boosted, satisfying the need of a consumer group in which practicality is key.

SEASONS

Innovation and the attractive design in the *Jet, Jumbo, Montblanc* and *Roletto* brands have made our chocolates the ideal gift for special occasions. The share of our candy portfolio in the seasons of Love and Friendship, Mother's Day and Christmas is representative in the *Chocolates Nutresa* annual candy sales.

JUMBO COMBI

Jumbo launched the new *Jumbo Combi,* with a different mixture: peanuts, crispy rice and a black cookie covered in chocolate. At an affordable price in currency fractions, *Jumbo Combi* has become a choice among macro snacks.

CAFÉS NUTRESA (Coffee)

COLCAFÉ ICED COFFEE

Colcafé Iced Coffee is the first fruit–flavor iced coffee beverage with highly refreshing power, low calorie content that provides natural anti-oxidants; it is easy to prepare and economical. Instant *Colcafé* Iced Coffee comes in two fruit flavor alternatives: lemon and peach and comes in a 1–liter packet and a 4–liter resealable bag.

With this new product, consumers have new possibilities to include coffee in occasions for something different, since its fruit flavor and the characteristics of a refreshing beverage make it ideal to enjoy on hot days and to accompany meals.

SELLO ROJO ESPRESSO

Sello Rojo Espresso Coffee is a specialty coffee for those who want to enjoy an espresso in the comfort of their home. This product is characterized by the quality of its 100% Colombian *Excelso* beans, high roasting and finely ground in the Roasted and Ground presentation, ensuring maximum extraction to obtain an excellent cup profile, deliciously creamy and with an intense flavor and aroma. *Sello Rojo Espresso Coffee* is available in major chains in the country in its two 500–gram presentations: Roasted and Ground and in whole Beans.

HELADOS NUTRESA (Ice Cream)

NEW SHAPE *DRÁCULA*

In 2012, one of the most fun and traditional ice cream bars in the Colombian market had an important transformation. *Drácula* presented children a new delicious ice cream bar filled with strawberry sauce, but now in the attractive shape of a chocolate–covered vampire.

LENGUILETTA

Crem Helado surprised consumers and the market with a new popsicle, *LENGUILETTA*. Unique in the Colombian market, it moves when you shake it, thanks to its gelatin texture. Its shape and color are similar to a tongue (*lengua*, in Spanish), which makes it very fun and very different.

ALOHA CUP

Aloha brought news to its consumers with the changes and innovations in *Aloha* Ice Cup (*Raspado*): a refreshing combination of flavors, ideal for vacation. *Aloha* Ice Cup is a fun, unique experience, thanks to its exclusive spoon–straw, textures, flavors and this mixture with sweetened condensed milk.

PLATILLO IS RENEWED

Platillo, the Colombian ice cream sandwich with a history of over 30 years, has been renewed with an improved product with more sauces and modern packaging. Additionally, it presents the market with a new reference consisting of delicious caramel (*arequipe*) ice cream with streaks of this same flavor in between the richest cookies; this traditional flavor, loved by Colombians, was very popular.

PASTAS NUTRESA (Pastas)

DORIA KIDS

Pastas Doria renewed its product *Doria Kids,* with the characters Phineas & Ferbs; the pasta figures also have seven main characters from the series. The references that *Doria* has in its portfolio are Macaroni and Cheese, Atomic Tomato (Pasta + a packet of ketchup), Cheese Explosion (Phineas & Ferbs pasta + a packet of cheese) and Mega Pasta.

CHEESE TORTELLINI AND CHICKEN RAVIOLI

Doria complemented its portfolio with new products it has launched on the market: Cheese Tortellini and Chicken Ravioli, continuing the growth of the filled–pasta segment. These references have been added to Meat Ravioli, which has positioned *Doria* as leader.

CHRISTMAS LASAGNA

Pasta consumers enjoyed *Doria* Christmas Lasagna in their holiday festivities; it is a seasonal product with Christmas colors in its tomato and spinach lasagna noodles, which was also aligned to celebrate the Company's 60th anniversary. *Doria* is the leading brand of pasta in the Colombian market.

NUTRITION, HEALTH AND WELLNESS

22 activities focused on promoting health and healthy lifestyles were conducted during the year.

For the support and monitoring of the implementation of a nutrition policy with which *Grupo Nutresa* is committed to the nutrition, health and wellness of its consumers, it formed a panel, composed of the Corporate Vice President of Innovation and Nutrition, the marketing managers, the research and development managers of the Businesses, the managers of institutional communications and human and organizational development, the directors of *Fundación Nutresa* and Vidarium, and a guest from the academic community in nutrition. The management of this panel during 2012 contributed to a better understanding of strategies and the definition of the action plans for the different pillars.

- With regard to products, gradual goals have been proposed to reduce fats, sugar and sodium, accompanied by research and development projects required to achieve them. The proposed reductions are aligned with the global strategy on diet, physical activity and health promoted by the World Health Organization (WHO). In addition, through a comprehensive approach in search of a tool that allows the projection of portfolios within the new industry guidelines, we are building a nutritional profile for consumption products.
- For two years *Grupo Nutresa* has implemented the voluntary Guideline Daily Amount (GDA) labeling, a guide that recommends daily consumption intake, adapting it to the nutritional–labeling regulations of the different markets in which it participates. The goal is to have the *Grupo Nutresa* products under this label.
- During the year, we conducted 22 activities focused on promoting health and healthy lifestyles; prominent among them were:

PIETRÁN SUPPORTS THE COLOMBIAN HEART FOUNDATION

The *Pietrán* Brand developed the Responsible Hearts (*Corazones Responsables*) campaign, which invited Colombians to become brand followers in Facebook to support the work of the Colombian Heart Foundation (*Fundación Colombiana del Corazón*). At the end of the campaign, we had surpassed the goal of 12.000 followers, for which *Pietrán* made a donation of COP 120 Million for its Responsible Hearts program, aimed at the disclosure and prevention of cardiovascular risk factors.

In addition, to cover the community within *Grupo Nutresa* to promote healthy lifestyles, a program was designed for employees, with the aim of strengthening good habits, thereby contributing to their personal and organizational development.

CHOCOLYNE CONTINUES TO SUPPORT THE FIGHT AGAINST BREAST CANCER

With the commitment to support Colombian women and understanding the risk that breast cancer represents for their health, for the third consecutive year *Chocolyne*, the Grupo Nutresa Chocolate Business Brand, launched its campaign "I Support" (*"Yo Apoyo"*), which invites women to prevent this disease through self–examination. Also, the Brand spent 3% of its sales during September and October 2012 and donated COP 1.000 for each one of the 7.358 persons who participated in the social–networking activity for the work carried out by the Colombian League Against Cancer. As a result of the campaign, *Chocolyne* donated COP 107 Million to this social entity.

INFORMATION ON PRODUCTS AND NUTRITION

In order to provide consumers with adequate, understandable information on products and nutrition, the voluntary code of nutritional information has already been implemented in 10% of the products. In turn, we have campaign initiatives, such as that made by the *Doria* Brand, for which nutrition and wellness are fundamental. On the packaging of its products, the benefits of consuming the nutrients that the products contain and recommendations for a healthy lifestyle are indicated. Furthermore, within the digital plan, there is a very important section on nutrition, so that consumers understand the importance of these benefits offered by the brand.

Beside the implementation of the strategies identified by the nutrition policy, *Grupo Nutresa* believes that greater knowledge of obesity, which has become a prevalent condition worldwide, is necessary; this is why the *Vidarium* Nutrition, Health and Wellness Research Center is seeking–through one of its research topics–to identify alternatives for treatment and prevention, which contribute to stopping the spread of this disease. In this topic, *Vidarium*, in collaboration with other research groups, is developing projects with which it expects to provide society with relevant knowledge to design interventions.

SAFETY AND WELLNESS FOR LIENTS AND CONSUMERS

The food companies that make up *Grupo Empresarial Nutresa* (the *Nutresa* Business Group) share a principle of respect for and responsibility to clients and consumers. The Comprehensive Quality Policy includes quality–management systems, food, environmental, safety and occupational health safety, commercial safety and risks. These systems are implemented in the operation through the adoption of best practices, measurement and monitoring, continuous improvement and tracking through internal and external audits by clients, certification entities, and official vigilance and control institutions. This evidences the high commitment of employees in the pursuit of client and consumer satisfaction.

The companies comply with national and international legislation related to the elaboration of foods to deliver safe, excellent–quality products. In addition, many of the companies, proactively and in accordance with the evolution of management systems, have obtained ISO 9001/2008 quality certifications, ISO 14001/2004 environmental certifications, BASC/2005 business–security certifications, OHSAS 18001, HACCP and Good Manufacturing Practices (GMP) safety and occupational health certifications.

According to the operating requirements in global markets and the adoption of cutting–edge systems, the companies have also advanced in specialized certifications in food safety, such as the British Retail Consortium (BRC) standard V6, the International Food Standards (IFS) V6, ISO 2200/2010, and the American Institute of Baking (AIB) Good Manufacturing Practices, among others.

All aspects of food safety are considered from the design and development of products and are monitored throughout their lifecycle through prerequisites related to suppliers, people, the environment, infrastructure, materials and the handling of the finished product.

To measure the effectiveness of the food–safety management, the companies have monitoring indicators that are continually checked, always seeking continuous improvement and elimination of risk factors.

Grupo Nutresa will continue to strengthen the management of food safety through specialized training for all staff and through investments in laboratories and state–of–the–art equipment, which will allow it to analyze and monitor raw materials, products in process and finished products so that risks from the farm to the table are minimized to ensure the wellness and health of its consumers.

The *Grupo Empresarial Nutresa* companies have a comprehensive management system that includes quality, food safety, environmental aspects, safety and occupational health, commercial security and risks. An employee of Compañía Nacional de *Chocolates de Perú,* Lima Peru.

For A Better Society

DEVELOPMENT OF OUR PEOPLE

In *Grupo Nutresa*, human talent management is one of the strategic foci in which we center our action, convinced that people are the main source of our competitive advantage.

For this reason, the value proposition of our employees is aimed at:

- Promoting close, safe, flexible and open–to–change work environments that facilitate their work.
- Developing leadership that inspires employees to be better persons and professionals.
- Promoting a balance between work and personal life.
- Providing opportunities for comprehensive development.
- Strengthening a culture of communication, participation and recognition, based on respect for, trust in and sensitivity to human beings.
- Respecting human rights, in a context of openness to diversity and inclusion.

In *Grupo Nutresa* we provide our employees a differentiated value proposition for their overall development. *Servicios Nutresa,* Medellín, Colombia

OUR BUSINESS PRACTICES REFLECT
OUR COMMITMENT TO AND INTEREST IN PEOPLE
Dimensions on which we focus our business practices:

ORGANIZATIONAL CULTURE

TALENT MANAGEMENT

We are a Group with the capacity to attract and retain the best talent. In 2012, our organizational climate results placed us among the companies with the best management in this area, becoming a benchmark for the sector. The organizational climate result and consolidated commitment for *Grupo Nutresa* was 84,2%, which puts us in an exceptional level.

Three of our businesses received special recognition by *CINCEL*, an expert organization in the diagnosis of and consulting in talent management processes, for their best organizational climate. *Colcafé* obtained first place; *Molinos Santa Marta,* second, and *La Recetta,* third.

Hermo Venezuela was recognized for significant improvements in its organizational climate management. We have an internal policy that promotes the mobility of our employees to other roles; a high percentage of vacancies is covered with internal talent. We value local talent in the strategic regions where we are present and we encourage teamwork that allows us to incorporate attributes from the different cultures where we interact. We are open to diversity, inclusion and gender equity in the different roles and vacancies in the organization.

> “I think *Colcafé* is the best company to work because of the warmth, excellent treatment, respect and concern for the welfare of its employees and their families. In *Colcafé* we feel important and valued; the Company thinks of every detail so that all people who work there have the best.”
>
> **Claudia Patricia Marín Trejos**
> Production Area Employee
> *Colcafé*

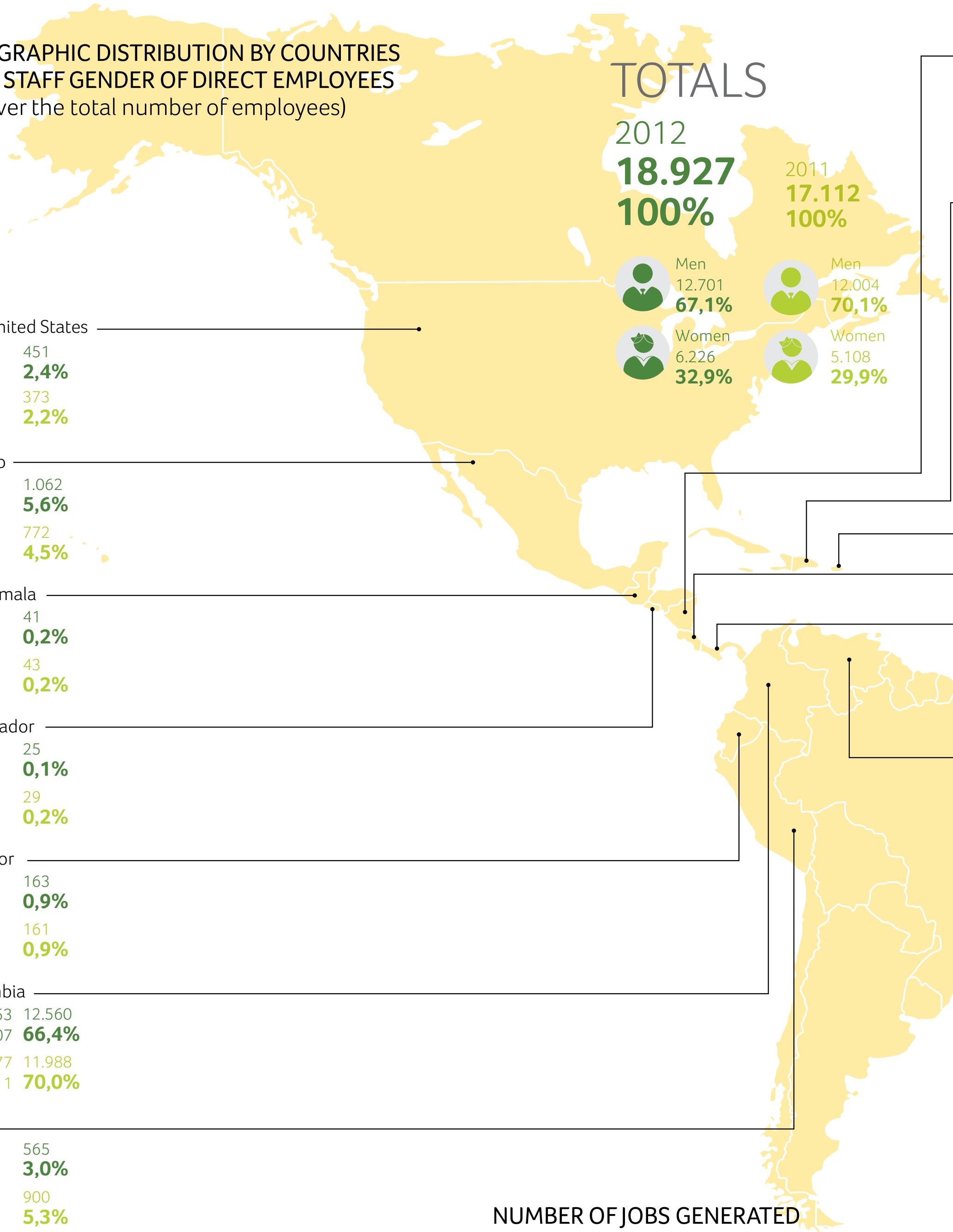
Also, the results of *Merco Personas* Colombia 2012 place us within the five best companies to work. Employees highlight our capacity to contribute to the quality of their work life; the image and reputation of the company; the ethical, exemplary behavior of the leaders; and the possibilities to progress and develop. *Merco Personas* is an independent monitor of universal reputation that rigorously identifies the best companies to work in Colombia.

STAFF ROTATION

The percentage of resignations was 20,4%, far below the rotation rate of the food industry, which is 23,4%. This year in particular there was a high staff turnover in the plants in Mexico and Peru, since temporary employees are registered under the form of direct contracts, as required by the legislation of these countries.

Our companies provide work environments for the labor and personal development of their employees. *Colcafé*, *Molinos Santa Marta* and *La Recetta* ranked first, second and third place in the *CINCEL* Organizational Climate study, in their category, from among 57 organizations in Latin America.

GEOGRAPHIC DISTRIBUTION BY COUNTRIES AND STAFF GENDER OF DIRECT EMPLOYEES
(% over the total number of employees)

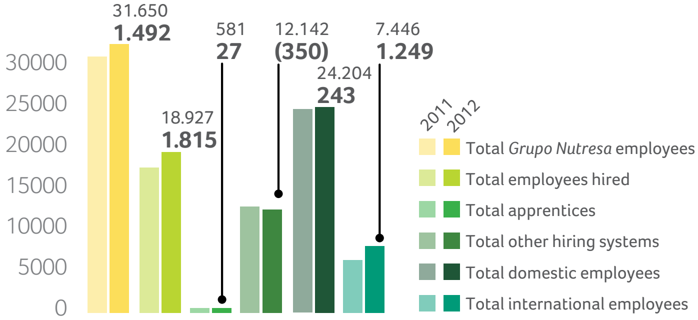


Country	2012 Men	2012 Women	2012 Total	2012 %	2011 Men	2011 Women	2011 Total	2011 %
The United States	281	170	451	2,4%	230	143	373	2,2%
Mexico	292	770	1.062	5,6%	209	563	772	4,5%
Guatemala	33	8	41	0,2%	35	8	43	0,2%
El Salvador	17	8	25	0,1%	20	9	29	0,2%
Ecuador	44	119	163	0,9%	40	121	161	0,9%
Colombia	9.553	3.007	12.560	66,4%	9.177	2.811	11.988	70,0%
Peru	356	209	565	3,0%	530	370	900	5,3%
Nicaragua	60	58	118	0,6%	59	60	119	0,7%
The Dominican Republic	149	40	189	1,0%	145	45	190	1,1%
Puerto Rico	4	0	4	0,0%	4	0	4	0,0%
Costa Rica	983	1.453	2.436	12,9%	667	594	1.261	7,4%
Panama	351	166	517	2,7%	329	170	499	2,9%
Venezuela	578	218	796	4,2%	559	214	773	4,2%

WE GENERATE EMPLOYMENT IN THE REGIONS WHERE WE ARE PRESENT

We are a large employer in the regions where we are present. In 2012, we had 31.650 employees, 18.927 of whom are directly employed by the *Grupo Nutresa* companies; the rest corresponds to apprentices and staff with other hiring systems.

NUMBER OF JOBS GENERATED
(2012/variation)



More than 31.000 employees support the management of our companies in 12 countries in the Americas *Compañía de Galletas Noel,* Medellín, Colombia

THE *GRUPO NUTRESA* LEADERSHIP MODEL

Our leaders are the main managers of organizational talent; in 2012, *Grupo Nutresa's* own leadership model was incorporated, to be coherent with the new business challenges and strategies, taking into account the great importance of more global, multicultural leaders. Likewise, we implemented a measurement tool that identifies current gaps to undertake development plans. To date, we have measured 206 *Grupo Nutresa* leaders, focusing on the dimensions of personal leadership, management and performance, and relationship skills.

In *Grupo Nutresa,* we prepare our talent to meet domestic and international challenges. Since 2012, we have concentrated on developing proficiency in a second language and in providing elements to our employees to incorporate a more global vision of the businesses.

COP 6.300 MILLION INVESTED IN EMPLOYEE TRAINING IN THE *GRUPO NUTRESA* COMPANIES

We prepare our talent to meet market challenges. In 2012, 15.480 employees received training in different areas of knowledge.
Escuela Vial for *Comercial Nutresa* sales assistants, Medellín, Colombia

SUPPORT FOR HIGHER EDUCATION

	Top Management		Middle Management		Operational Staff		Total persons	Total Investment (COP Million)
	No. persons	Investment	No. persons	Investment	No. persons	Investment		
Higher education in the country	4	48,8	197	379,3	61	49,8	262	478
Higher education abroad	2	21,1	14	131,2	0	0	16	152
Educational subsidies for workers *							3.169	2.758
Total	**6**	**69,9**	**211**	**510,5**	**61**	**49,8**	**3.447**	**3.388**

* Only the total number of persons and the investment have been reported.

EDUCATION AND TRAINING

	Top Management		Middle Management		Women		Totals
	Men	Women	Men	Women	Men	Women	
Number of persons	81	27	4.980	2.694	6.080	1.618	15.480
Number of hours	3.074	1.940	171.423	106.335	175.122	24.402	482.296
Investment (COP Million)	400,2	35,3	1.886,4	1.876,6	915,2	1.186,5	6.300

COMPREHENSIVE QUALITY OF LIFE

Grupo Nutresa is known for offering its employees benefits and subsidies that contribute to their welfare and that of their families, with programs aimed to develop all the dimensions of the human being. For 2012, in addition to economic benefits we worked on consolidating other options to develop the social, emotional, family, physical and spiritual dimensions.

We provide our employees with programs, benefits and subsidies that contribute to their welfare and that of their families.

In partnership with the Colombian Heart Foundation, we have incorporated a management model for cardiovascular risk intervention for our employees. In 2012, *Compañía de Galletas Noel,* through its "Live with Sense (*Vive con Sentido*)" program, participated in the first Responsible Hearts (*Corazones Responsables*) contest, obtaining first place in the "Business" category. For 2013, we plan to certify three *Grupo Nutresa* businesses as healthy organizations.

LOANS

Programs	2011		2012	
	Persons	COP Millions	Persons	COP Millions
Housing	688	8.983	591	9.364
Domestic Problems	811	1.185	750	1.232
Education	881	1.164	998	1.194
Vehicles	213	2.472	151	1.741
Health	472	398	570	529
Other	971	1.410	1.483	1.267
Total	**4.036**	**15.611**	**4.543**	**15.327**

SUBSIDIES

Programs	2011		2012	
	Persons	COP Millions	Persons	COP Millions
Education (Relatives)	6.586	3.152	7.943	4.170
Health	3.805	1.132	5.488	1.444
Maternity	410	128	531	172
Marriage	205	83	276	126
Death	207	226	230	250
Transportation	2.064	1.679	2.208	2.266
Other	3.954	1.041	3.997	1.345
Total	**17.231**	**7.441**	**20.673**	**9.773**

QUALITY OF LIFE

Programs	2011	2012
	COP Millions	COP Millions
Integration and Recreation	7.514	8.227
Restaurant	27.235	29.233
Total	**34.749**	**37.460**

All national and international *Grupo Nutresa* companies have been included in these indicators.

SAFE ENVIRONMENTS

In the majority of our businesses, we have comprehensive management systems that have helped develop a culture of self–care and generate habits in our people to minimize work incidents. We have achieved OHSAS certification and through TPM, incorporated preventive practices.

The *Grupo Nutresa* accident frequency rate was 3,5%, lower than 12,4% of the food industry in Colombia. In 2012, there were two fatal work accidents in one of our businesses.

1,7%
is our goal for the accident frequency rate in 2020.

We promote safe work environments and promote a self–care culture in our employees. In 2012, the accident frequency rate was 3,5%, well below the industry average in which *Grupo Nutresa* companies participate.
Doria Plant, Mosquera, Colombia

SAFETY AND OCCUPATIONAL HEALTH

Indicator	Men	Women	Total
Average of direct employees exposed	12.775	5.650	18.425
Number of work accidents	522	122	644
Number of days of incapacity for work accidents	7.863	1.704	9.567
Number of sick leaves due to common illness	12.728	4.984	17.712
Number of days absent due to common illness	74.853	25.895	100.749

Investment) (COP Million)	**2011**	**2012**
Occupational Health Training	1.266	513
COPASO	422	678
Zero–Accident Management	9.030	12.853
Comprehensive Brigade	1.196	1.684
Health Management	3.497	4.218
Total	**15.411**	**19.946**

1.410 of our employees form part of the brigade teams in our business.
Industria de Alimentos Zenú brigade team, Medellín, Colombia

PRODUCTIVITY AND PERFORMANCE

We have incorporated a performance–management system to ensure the alignment of responsibilities and contribution of people with the strategic objectives and business results, as well as being an input to identify opportunities for improvement in the skills required for the position. We have also consolidated a fair, competitive compensation system, which encourages the achievement of goals.

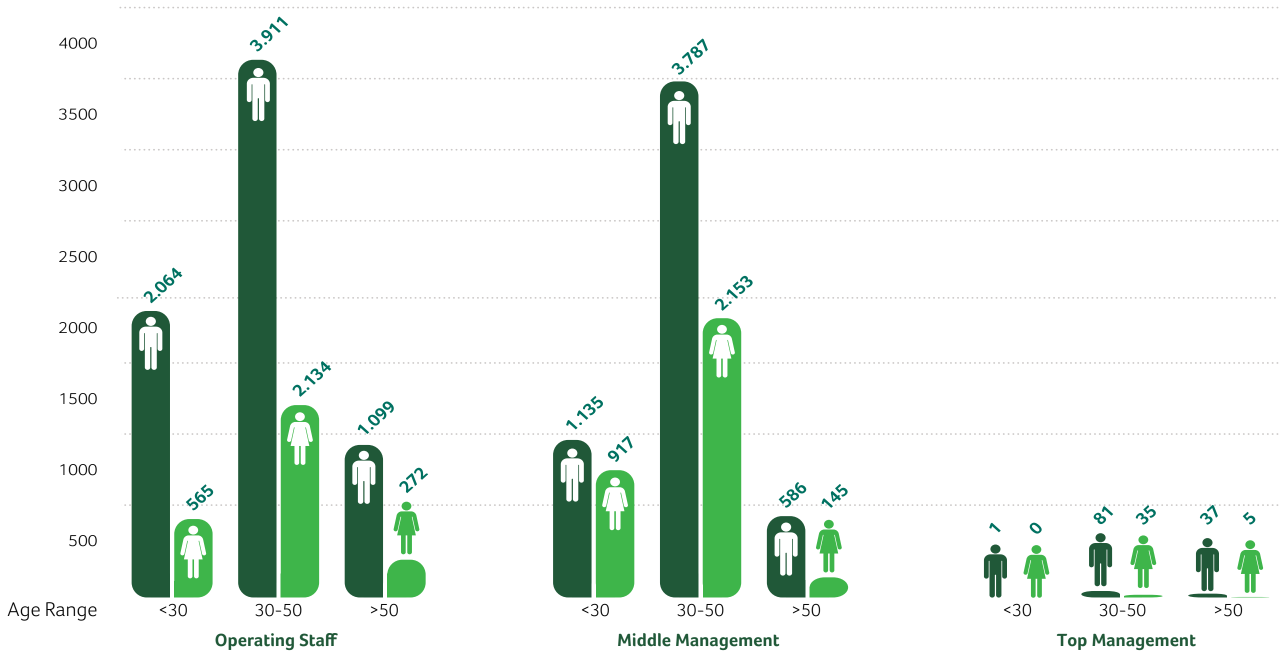
Our leaders play an active role in monitoring performance, providing feedback and accompanying work teams in achieving superior results. In 2012, 6.681 persons had performance management.

In the different *Grupo Nutresa* Businesses, we have management systems that encourage productivity and continuous improvement of processes, among which we highlight TPM, OHSAS 18000, ISO 8000, and BASC.

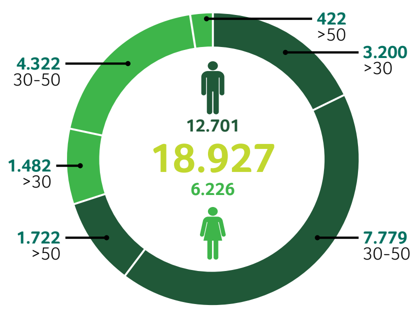
TELEWORKING, A NEW OPTION FOR FLEXIBLE WORK

We have incorporated teleworking as a way to support the reconciliation of the personal, work and family life of our employees, contribute to productivity and environmental conservation. To date, we have 76 teleworkers in *Grupo Nutresa* and we plan to increase this number in 2013.

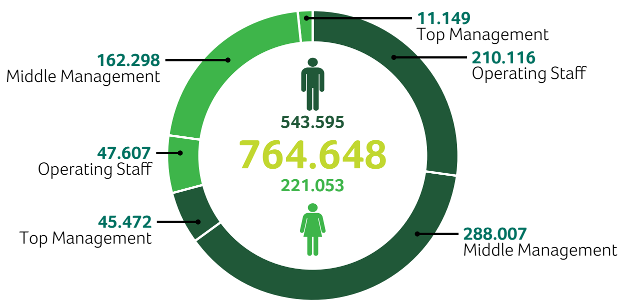
NUMBER OF DIRECT EMPLOYEES, COMPENSATION AND REMUNERATION



Totals by Range And Gender



Total Remunerations
Cop millions



ORGANIZATIONAL CULTURE

For our Businesses, management of culture is the main support of the organizational changes; it is a systematic, continuous process, and some of the Businesses already have diagnostic tools and building plans, ensuring that their culture is aligned with the *Grupo Nutresa* philosophy. The most important pillars of our culture are focused on strengthening our values and business philosophy and promoting spaces for participation, communication and recognition, including Innovative Success Stories, Innovative Solutions, Volunteers, Stimulus to Remain in the Company and Exemplary Practices.

Also, since 2012, we have consolidated knowledge management and incorporated strategies that encourage networking; such is the case of the Synergy Communities, which provide scenarios to share and transfer knowledge among all the *Grupo Nutresa* Businesses, achieving important joint work within a culture of learning and innovation.

The Synergy Communities are spaces that encourage networking and provide scenarios to share and transfer knowledge.
Grupo Nutresa Knowledge Management Synergy Community

HUMAN RIGHTS

In 2012, we ratified our commitment to the respect for and protection of human rights, defining a comprehensive management system that provides a common framework for all the *Grupo Nutresa* companies to implement policies and practices that contribute to the promotion of and respect for human rights of the different stakeholders, based on international standards and in line with sustainable development.

GRUPO NUTRESA DEFINED A COMPREHENSIVE SYSTEM THAT PROMOTES RESPECT FOR HUMAN RIGHTS

We have advanced in our commitment to protect human rights.
Employees at the *Novaventa* Operations Center, El Carmen de Viboral, Colombia

Inspired in the framework for action of John Ruggie, a Special Representative of the United Nations, we have incorporated the following principles into our management system:

- Protect
- Respect
- Remedy

We are expressly stating our corporate responsibility to act with due diligence to prevent violations of the rights of others and correct the negative effects they generate, as well as contributing to have an effective remedy against such violations.

We have defined an internal policy on human rights, convinced that sustainable development is possible only within a framework of respect and fairness; we continue to adhere to the United Nations Global Compact, which has become our compass for action together with the international conventions of the International Labour Organization (ILO) and the universal declaration of human rights.

Compliance with this policy will be reflected in 2013, with the following actions:

- Public commitment to respect human rights through disclosure to all stakeholders
- Management of the risk matrix in human rights
- Establishment of a Human Rights Committee with the participation of top management
- Definition of the work plan and management indicators of the Human Rights Committee, which includes training on the subject for our employees.

In the same line of action, we have established Labor Coexistence Committees, whose purpose is to identify and analyze, with the participation of workers and companies, working conditions that violate human rights or generate situations of harassment in the workplace.

In 2012, we invested 80 hours of training in policies and procedures related to human rights, which are relevant to operations, which were attended by 74 people.

Furthermore, we participated in the 101st ILO International Labour Conference in Geneva, Switzerland, as a means of ratifying our openness and commitment to the international agreements.

RESPECT FOR FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

In the *Grupo Nutresa* companies, 15,1% of the staff is unionized and 66,0% belongs to collective agreements. We maintain permanent communication with their representatives, with whom we have established constructive labor relationships within a framework of respect.

We protect children's rights, promoting practices for their welfare and we are against their exploitation and abuse. We do not hire minors in our companies and we share this principle of action with our suppliers. We generate networks with our employees who are parents, so they know how to address issues on parenting, bullying, proper management of social networks and alcohol prevention.

8 **We conducted eight collective–bargaining processes in 2012**

We provide spaces for dialogue and participation with unions and collective agreements, regarding the improvement of the needs of our employees. *Compañía Nacional de Chocolates,* Rionegro, Colombia

MANAGEMENT WITH THE COMMUNITY

Grupo Nutresa is committed to the local development of the communities with which it interacts, strengthening work and promoting programs and projects to benefit society through its *Fundación Nutresa.* Likewise, we have assumed the challenge of connecting the needs of the community and the company to build a better world, which is a task we do every day, with ethical actions that prioritize and respect the needs of the groups with whom we interact. In conjunction with our companies and their employees, we seek supportive responses that promote social development.

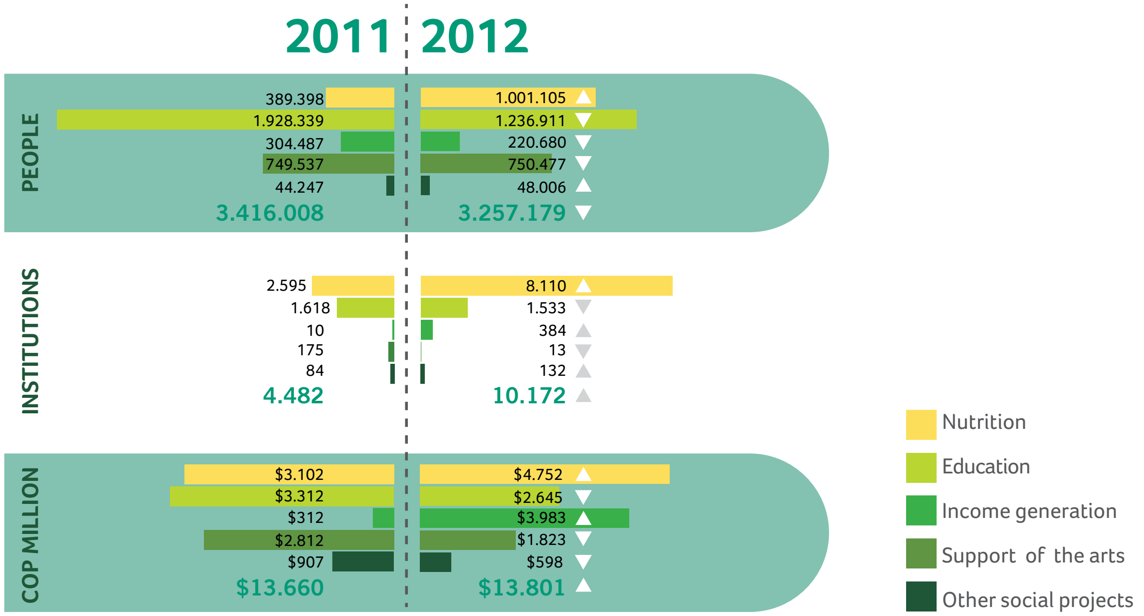
NUTRITION

A total of COP 4.752 Million in products was donated to Food Banks in Colombia and entities that work for the nutrition of vulnerable populations in the following countries in our strategic region: Costa Rica, the United States, Venezuela, Guatemala, Panama, Ecuador, Nicaragua, the Dominican Republic and Peru.

EDUCATION

In the educational communities of Colombia, 77.863 people received training to improve the quality of educational processes, with the XXI Century Leaders (Líderes Siglo XXI) and Find the World in a Click (*Oriéntate el Mundo a un Clic*) programs.

SOCIAL INVESTMENT



INCOME GENERATION AND ENTREPRENEURSHIP

In 126 agricultural associations, we promote self–management and local leadership in 18 departments in Colombia.

VOLUNTEERS

In the *Grupo Nutresa* Companies, 6.381 volunteers actively participate with their time and/or cash contributions to develop social initiatives reflected in 9.535 volunteer actions.

SUPPORT OF THE ARTS AND CULTURE

In the management developed by *Fundación Nutresa,* 750.477 people were benefitted in this line in which we promote management that permits public access to cultural and artistic expressions.

MANAGEMENT LINE: NUTRITION

The nutrition actions advanced by *Fundación Nutresa* allow us to provide a better quality of life and adequate physical and cognitive development to children, adolescents and the elderly .

With our management in 2012, we invested COP 4.752 Million to support nutritional projects in Colombia and our strategic region; our businesses and volunteers were active in this work with their knowledge and capabilities.

Early childhood is included in our nutritional–recuperation projects. This management is carried out in the Departments of Bolívar, Cauca, Antioquia, Atlántico, Córdoba and Cundinamarca, in Colombia. The Miguel Ángel Builes Soup Kitchen, *La Maruchenga,* Medellín, Colombia.

HIGHLIGHTS IN 2012

ADDING VALUE TO PRODUCT DELIVERY: THE FOOD BANK NETWORK IN COLOMBIA

Fundación Nutresa is an active part of the Colombian Association of Food Banks (*Asociación de Bancos de Alimentos de Colombia,* ÁBACO), a non–profit entity that brings together 22 Food Banks in the country and supports them in the entire process of institutional strengthening, through training, development of skills and knowledge acquisition during 2012:

- We train food–bank staff in the processes of good manufacturing practices and in principles to inspect food plants.
- We contribute to the development of the information system of ÁBACO and its partner food banks.

Our support resulted in greater quality and food safety for the population served by this food–bank network.

Our Businesses come together with the delivery of their products to contribute to the nutritional recovery of disadvantaged populations, through Food Banks in the strategic region. Food Bank, Bogotá, Colombia

We support the strategy of the Fundación Saciar parish soup kitchens. The *Santa Cruz de la Misericordia* Parish Soup Kitchen, Medellín, Colombia

THE NUTRITIONAL RECUPERATION PROGRAM FOR CHILDREN AND PREGNANT MOTHERS

We contribute directly to the process of pregnancy and life expectancy of newborns in Antioquia. We accompany pregnant women with low weight in their nutritional recovery, with the delivery of monthly groceries, which contribute to healthier babies with greater weight. Similarly, with our products we attend young children at risk of malnutrition. In 2012, 40 mothers and 143 children were benefitted in Colombia.

HEALTH EATING HABITS IN THE NUTRITIONAL INITIATIVES WITH THE COMMUNITY

Our nutrition projects were marked by teaching healthy eating habits. This was carried out through local initiatives that benefitted 1.783 children and adults in 2012.

PARTNERSHIPS FOR NUTRITION

Fundación Nutresa and the *Grupo Nutresa* companies support 23 nutritional projects in community and school soup kitchens in the rural and urban areas of Bolívar, Cauca, Antioquia, Atlántico, Córdoba and Cundinamarca, in Colombia, improving food safety and the vital conditions of children and the elderly.

“Having products from the *Grupo Nutresa* companies has benefitted the entire *Sendero de Luz* community and the elderly that it attends. For us, being able to receive this variety of products fills us with peace of mind because we know they are quality products that nourish our elderly population.”

Claudia Patricia Cuastumal Yaly
Assistant Director
Corporación Hogar Sendero de Luz
Antioquia

MANAGEMENT LINE: EDUCATION

We focus our investment to promote inclusive, quality education. We support long–term initiatives that enhance leadership, promote sustainability and transfer good business practices to educational settings.

The employees of our Businesses have joined the XXI Century Leaders (*Líderes Siglo XXI*) project, accompanying the continuous–improvement processes and quality of educational institutions in Colombia with their talent and experience. *Alimentos Cárnicos* volunteers with members of the *Maria Josefa Marulanda* educational community, La Ceja, Colombia.

HIGHLIGHTS IN 2012

THE COMPANY TEACHES US: THE XXI CENTURY LEADERS (*LÍDERES SIGLO XXI*) PROJECT

Since 1994, our project has been established as a commitment to education; it is an inclusive business intent to gather and generate opportunities for reflection and construction in search of a better country.

During 2012, the XXI Century Leaders educational project contributed to the educational–management and cultural–transformation processes. This work was carried out together with 81 companies and 730 educational institutions in Colombia.

The XXI National Education Congress, held by *Fundación Nutresa* as part of its commitment to the quality of school management, gathered 856 teachers

“For the *José María Córdoba* Educational Institution in Yumbo, Valle, participating in the XXI Century Leaders Educational Project meant being submerged in a profound organizational process of reflection and reconstruction that led us to relearn and transform the institutional practices. We were accompanied by *Fundación Nutresa,* which allowed us to redirect the institutional action, developing the assessment and diagnostic processes with greater precision and, from these, optimizing our planning.”

María Antonia Ortiz Gómez
Rector, *José María Córdoba* Educational Institution
Winner of the 2012 *Nutresa School* Management Award

TECHNOLOGIES THAT FACILITATE LEARNING: FIND THE WORLD IN A CLICK (*ORIÉNTATE EL MUNDO A UN CLIC*)

We recognize the positive impact of new technologies in education and the importance of guiding educators to use them properly. Through the Oriéntate program, we develop skills in teachers to integrate ICTs in their teaching. In this way, students have access to new sources of information and acquire basic skills to practice digital citizenship. The program currently operates in the municipalities of Cali, Barranquilla, Santa Marta, Rionegro, El Carmen de Viboral, La Ceja, Caloto, Medellín and Córdoba. During 2012, we trained 531 teachers from 37 schools.

With teacher training in ICT, the *Fundación Nutresa* Find the World in a Click program works in digital inclusion and improving education. It also provides equipment in computer classrooms; in 2012, it endowed three classrooms in Barranquilla, Cali and Caloto. The program is currently carried out in eight municipalities in Colombia.
The *Costa Caribe* District Educational Institution, Barranquilla, Colombia.

FIND THE WORLD IN A CLICK (*ORIÉNTATE EL MUNDO A UN CLIC*):

- Trains teachers to use digital tools at their disposal to develop classroom projects based on ICT.
- Maximizes the learning process and student knowledge by increasing their interest, through its innovative strategies.
- Contributes to the development of skills in teachers; for many of them, this is their first contact with new technologies, becoming support to face new academic challenges successfully and increase their motivation to include digital environments in their personal and professional life.

11

In 11 years, we have trained more than 1.100 teachers in the use of ICTs to produce 267 educational projects in Colombia

BETTER EDUCATIONAL ENVIRONMENTS: ACTIONS THAT MAKE A DIFFERENCE

For the second consecutive year, Comercial *Nutresa* has joined the strategy to improve educational environments, providing social work to their clients as a Christmas gift. The *Manuel Elkin Patarroyo* (Barranquilla) and *Castilleral* (Lorica) educational institutions in Colombia, which directly serve 160 children, were benefitted with the remodeling of their sites, ensuring better physical and safety conditions for the children and adolescents of the sector.

Grupo Nutresa, its companies and employees supported the Colombian Ministry of Education action plan to address the emergency presented in the rainy season in 2010 and 2011, supporting the recovery of seven educational institutions. To date, 2.156 children in Bolívar, Córdoba, Cauca and Atlántico have been benefitted. More than COP 426 Million was allocated to this cause.
The *Rosa Zárate de Peña* Educational Institution, Yumbo, Colombia

STRENGTHENING READING

With the *Corporación Día de la Niñez* and the *Fundación Solidaria La Visitación* playgrounds, together with the Secrets to Tell (*Secretos para Contar*) program, reading is promoted in poor communities. In 2012, 4.378 children, adolescents and adults were benefitted, in the generation of new knowledge and creativity in rural communities.

ENABLING ACCESS TO EDUCATION

Grupo Nutresa, through its *Fundación Nutresa*, facilitates access and inclusion of the low–income population to higher education, by providing economic contributions for scholarships. This work is carried out with *Colfuturo, Uniminuto, Fondo de Inclusión Social,* Fulbright, *Corporación Católica del Norte and Universidad Nacional.* We have allocated more than COP 550 Million to pay tuition for and support 6.878 students.

SUPPORTING CHILDREN IN RURAL COMMUNITIES

With the *Nacional de Chocolates* Loves Children (*Nacional de Chocolates Quiere a los Niños*) program, articulated by *Fundación Nutresa,* we gave rural children 5.183 school kits in 107 educational institutions in Colombia. With our management, we support basic education in communities and contribute resources for the children's school development.

The delivery of school kits in the *Nacional de Chocolates* Loves Children program. The *La Milagrosa School,* Buenaventura, Colombia

MANAGEMENT LINE: INCOME GENERATION AND ENTREPRENEURSHIP

We participate in productive sustainable projects that respond to the social development of communities, promote decent living standards and develop socio–entrepreneurial skills in farmer associations.

We support *Corporación VallenPaz* to accompany the processes of social empowerment and boost revenue initiatives in the Buenaventura and *Norte de Cauca* communities in Colombia.

126

Grupo Nutresa **companies and** ***Fundación Nutresa*** **have supported 126 rural associations to strengthen their economic activity.**

HIGHLIGHTS IN 2012

We are committed to the social and economic development of the cocoa–bean producing communities, with technical training and support to strengthen the socio–business sector, as articulated by *Compañía Nacional de Chocolates* and *Fundación Nutresa*. Chocó, Colombia.

SUPPORTING THE CONSTRUCTION OF PEACE

In Buenaventura and northern Cauca, in Colombia, 550 farmers participated in a process of social and commercial strengthening that in 2012 allowed them to achieve sustainable, profitable income and more competitive productions of *chontaduro*, Chinese potato, palm and cocoa crops.

These work initiatives were made in partnership with the *Fundaciones VallenPaz, Suramericana* and *Bancolombia* and *Protección S.A.,* which allowed better support for the farmers' organizations, the attainment of public and private resources and solidarity teamwork with the communities.

EXOTIC FRUITS AND COCOA BEANS: MOTORS TO REVITALIZE ECONOMIES IN EL *CHOCÓ*

In the Gulf of Urabá region, we contributed to strengthening the collaborative work strategies of six cocoa–bean–producing organizations, which developed individual and joint competitive advantages. In this program, 602 producers participated, increasing the levels of organization, participation and group consolidation.

The initiative boosted a new alternative for income and economic development for populations in the Afro–Colombian territories, through *murrapo* and *jaguar* products supporting local biodiversity and directly benefitting 151 people and 15 Indigenous and Afro–Colombian communities in the mid–*Atrato* region.

INTEGRATING COMMUNITIES IN MONTES DE MARÍA

- Since 2010, in conjunction with allies and sesame–producing communities, business and community integration has been achieved in 17 associations belonging to the Departments of Bolívar and Sucre.
- In 2012, the business structure of the Sesame–Growers Network was defined; this connects community needs with buyer demand, which has led them to remain in the domestic market with an acceptable level of competitiveness.
- We have implemented various programs, such as the Revolving Fund (*Fondo Rotatorio*), which has provided farmers access to resources to grow sesame, promoting crops without commitments to third parties.
- With community mothers in this area, we have developed training sessions to prepare autochthonous food, a food fair, educational pamphlets and workshops for healthy multipliers. In terms of education, a training process in computer tools applied to agriculture was begun.

LESSONS FROM A COMMUNITY INITIATIVE

In partnership with private– and public–sector entities and international organizations, we shared the experience of community commitment to contribute to the living conditions and income generation around the *panela* communities of Bareño and La Cumbre, hamlets of the municipality of Yolombó, Antioquia. These are some of the reflections of the closing assessment of this initiative:

- It is essential to strengthen the structure of social participation through the integration of society, private enterprise and the public sphere, promoting collaborative dynamics.
- Also, we learned that the level of community participation must transcend the areas of planning and decision–making, which integrates the entire community.
- In the community–intervention projects, the strengthening of social dynamics is a key aspect of sustainability.

MANAGEMENT LINE: SUPPORT TO THE ARTS AND CULTURE

We leverage programs that allow connecting youth to cultural–education projects and we promote city events, to convene and facilitate access to the population.

Compañía National de Chocolates Peru and its brand *Panetón Winter's* were associated with the donation of musical instruments for children in the *Fundación Sinfónica por el Perú.*

HIGHLIGHTS IN 2012

CULTURAL INCLUSION

- In 2012, we continued contributing to the promotion and presentation of city events in Colombia, the United States, Peru, Venezuela and Costa Rica.
- In Colombia, we were directly linked to the Cartagena International Music Festival (*Cartagena Festival Internacional de Música*), the Music Festival (*la Fiesta de la Música*) in Medellín and the Arts Festival (*el Festival de las Artes*) in Barranquilla. More than 750.000 persons had free access to cultural scenarios and all musical initiatives promoted by these entities.

THE CHRISTMAS SHOW

- The traditional *Compañía de Galletas Noel* Christmas show celebrated 25 years of presentations in 2012. It was attended by 90.000 persons and was transmitted by three regional channels in Colombia with a greater scope. This event, which has always been free, gathers the community to enjoy a cultural space that integrates families and is an icon of the city of Medellín.

VOLUNTEERS

Fundación Nutresa manages the *Grupo Nutresa* volunteer network, which promotes social entrepreneurship, solidarity and the collaboration of employees of the companies with the development of direct actions and, in cooperation with other entities, to benefit communities. The participation of volunteers is made through contributions in time, talent or money.

Our companies provide time and generate spaces so their employees can perform voluntary actions. The *Grupo Nutresa* volunteer network is made up of more than 6.000 employees.

6.381
active volunteers as of December 2012

12.699
hours contributed

32.108
persons benefitted

$785
COP Million

HIGHLIGHTS IN 2012

SOCIAL ENTREPRENEURSHIP

One of the pillars of our corporate volunteering is social entrepreneurship. Volunteers seek to develop and enhance the capabilities of individuals and communities, so that–through intervention–they are able to manage their social and economic development.

9.535

Employees of the *Grupo Nutresa* companies performed 9.535 voluntary actions in 2012, together with 482 social entities.

A VOLUNTEER OF EDUCATIONAL AND BUSINESS PROJECTION

Since 2009 as part of its voluntary commitment to society, *Compañía de Galletas Noel* generated an educational alliance with the *Pascual Bravo* University Institution and the National Association of Industrialists of Colombia (*Asociación National de Industriales,* ANDI) to adjust the contents of its technical and technological education programs, taking into account the needs of food–sector companies. *Noel* volunteers have accompanied the improvement process of the Institution in areas of integrated quality and productivity, which resulted in students being better prepared for current industry requirements. Similarly, a packing laboratory was equipped with machinery to conduct tests and simulations equal to those of a food company and improve issues of productivity, good practices and machinery maintenance in food companies.

VOLUNTEER ACTIONS IN GRUPO NUTRESA

As part of the social–intervention strategy, defined by *Fundación Nutresa,* 159 employees of the *Grupo Nutresa* companies were integrated to accompany the improvement of school infrastructure in classrooms and common areas of educational institutions in Medellín, Bogotá and Cali, Colombia.

SOCIAL–SUPPORT COMMITTEES

In ten of our companies, 3.365 employees were integrated to our support network, becoming an active part of the Social–Support Committees, volunteer work that directly involves workers who make economic contributions to investment in community–development and educational projects. In 2012, more than COP 270 Million was donated by *Grupo Nutresa* employees.

"Volunteering in social–entrepreneurship projects is a way to contribute knowledge and personal experience in the advancement of and support for those who have business ideas. It is an opportunity to integrate efforts and complement each one of these projects."

Gustavo Cañas
Volunteer, Ventures Program
Cárnicos Nutresa

OUR VOLUNTEER NETWORK

OUR VOLUNTEER NETWORK IS ACTIVE IN THEIR WORK WITH COMMUNITIES

They are enthusiastic participants in social–entrepreneurship initiatives of actions that contribute to the welfare of communities.

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1. *Colcafé* volunteers
2. *Helados Bon* volunteers
3. *Grupo Nutresa* volunteers, Colombia
4. *Comercial Nutresa* volunteers
5. *Molinos Santa Marta* volunteers
6. *Pastas Doria* volunteers
7. *Meals de Colombia* volunteers
8. *Compañía Galletas Pozuelo* volunteers
9. *Compañía de Galletas* Noel volunteers
10. *Grupo Nutresa* volunteers, Medellín
11. *Compañía Nacional de Chocolates* volunteers

OUR VALUE CHAIN

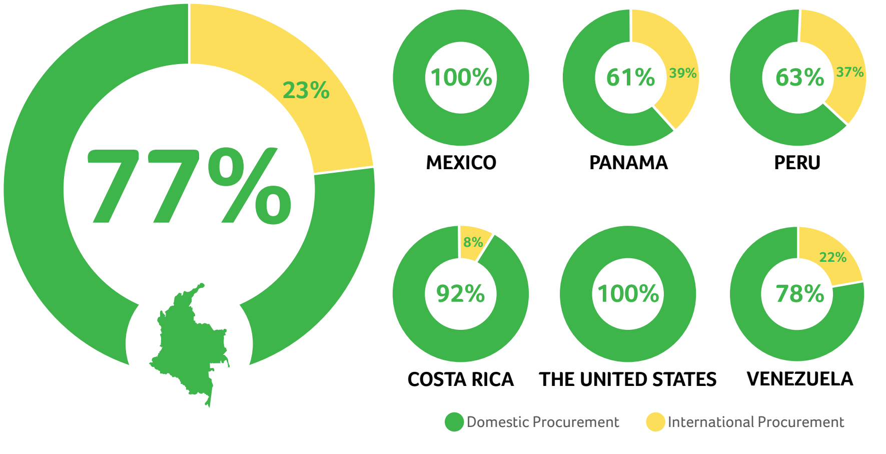
We work to strengthen supplier quality assessment and counseling by *Servicios Nutresa* and the Business staff. Similarly, we are working on the development of entrepreneurs and cooperatives.

RESPONSIBLE SOURCING

For *Grupo Nutresa,* its suppliers are strategic partners with whom we develop proposals for goods and services that facilitate compliance with the quality standards that our products have today.

PROCUREMENT FROM LOCAL SUPPLIERS

Grupo Nutresa favors local suppliers when they offer a product and/or service at competitive prices; in the case of agricultural commodities, it works with producers with small plots. The local supply contributes to generating income and reducing the environmental impact caused by transport.



In the Chocolate Business, 95% of the cocoa beans are purchased from Colombian cocoa–bean growers, offering small producers the possibility to sell their crops directly to the company.

In the Ice Cream Business, 100% of unprocessed fruit and liquid milk is supplied locally. The geographical location is taken into consideration, aimed at developing nearby suppliers to minimize environmental impact and contribute to the agricultural development of the region.

In the Cold Cut Business, 74,5% of the meat raw materials is purchased from Colombian suppliers.

In the Coffee Business, 94% of the coffee is purchased from Colombian coffee growers.

OILS AND FATS	99,7%	FRUIT	100%
SUGAR	55,7%	MILK AND DERIVATIVES	79,3%
COCOA	95,2%	PACKAGING MATERIAL	93,9%
COFFEE	94,5%	OTHER RAW MATERIALS	43%
MEAT	74,5%	WHEAT	0,02%
CONCENTRATES	100%	DOMESTIC TOTAL	75,2%

CODE OF CONDUCT FOR SUPPLIERS

The *Grupo Nutresa* Code of Conduct for Suppliers frames the actions of our suppliers under principles of transparency, fairness and respect for human rights, from the following aspects:

During 2012, we continued to make our supply policy known, through our Code of Conduct for Suppliers. As a training tool in the ten Global Compact principles, we developed an additional service on our Website www.gruponutresaenlinea.com, which consists of an application that allows suppliers to understand each principle and do a self–assessment. We are in the process of requesting and consolidating the self–assessments from suppliers in the different categories, which will continue in 2013. The results of these self–assessments will be the bases for prioritizing ethical audits.

In 2012, no faults to our Code of Conduct have been evidenced, nor have complaints from our suppliers been received on the Ethics Hotline.

GENETICALLY MODIFIED ORGANISMS

The *Grupo Empresarial Nutresa* (the *Nutresa* Business Group) companies believe that modern biotechnology has great potential to contribute to human welfare and the potential to increase food production, provided it is developed and used responsibly, based on ethical, rigorous scientific research, and applying appropriate safety measures for the environment and human health.

Our food–safety policy seeks to build trust in consumers by providing safe food. The *Grupo Empresarial Nutresa* companies consider the possible use of genetically modified ingredients, provided they have the proper analysis and approval from official agencies–such as the World Health Organization (WHO), the United Nations Food and Agricultural Organization (FAO) and other private research institutions–and meet the levels permitted by the laws of different countries.

For this, we have a corporate Genetically Modified Organisms (GMO) policy and maintain procedures for traceability. For raw materials, which are recognized worldwide as being genetically modified, and their derivatives (corn, soy, soy lecithin, corn starch and glucose), we have procedures that include laboratory testing, supplier certifications on the approved genetic modifications made, as well as trace verification in those that are not GMO. Additionally, we evaluate and use GMO raw–material substitutes, in order to serve markets that have restrictions on use.

The companies of *Grupo Empresarial Nutresa* comply with the labeling standards in force related to the labeling of genetically modified organisms in countries where they have operations and in the countries to which its products are exported.

TRAINING AND ADVICE FOR OUR SUPPLIERS

To increase the level of skills and trade relations with the *Grupo Nutresa* procurement areas, we provided attention, support and training to suppliers in the different services offered on the Website.

ATTENTION TO SUPPLIERS

- **Improvements in the Website:** Improvements were made in the different Website services, impacting processes for purchase orders, inventories on consignment, continuous replenishment, code of conduct, imports, eBilling, statements of account and certificates.
- **Training:** During 2012, we trained 138 suppliers: 123 from Costa Rica in Website services and 15 from Colombia in continuous replenishment.

SUPPLIER DEVELOPMENT

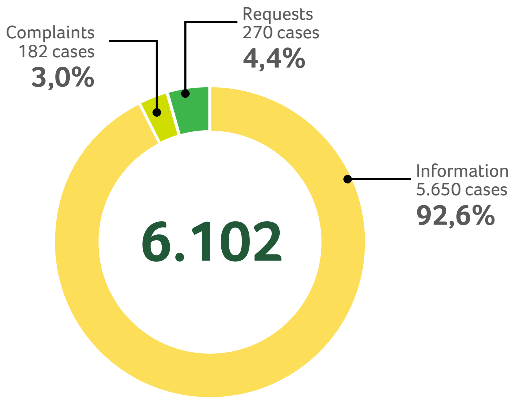
As a result of supplier assessment, we supported those who are interested in implementing and/or improving their Comprehensive Management Systems. This management is responsible for the areas of Quality, Procurement and Research and Development in the different businesses, and is conducted by training visits to our plants and/or advice on specific topics.

CONTINUOUS REPLENISHMENT

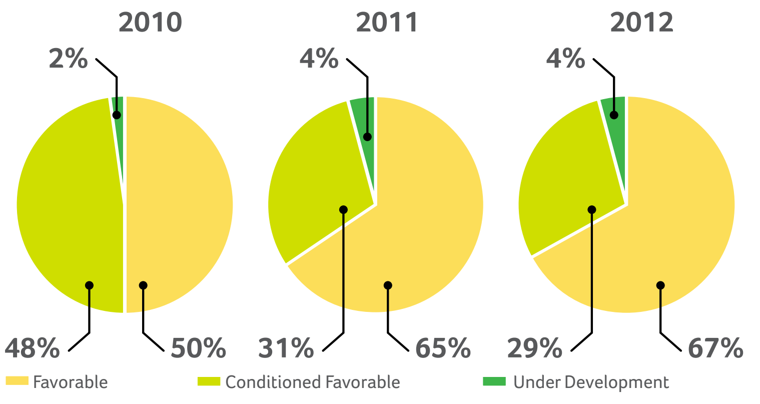
The aim of continuous replenishment is to manage the supply–chain information collaboratively with our suppliers, to ensure the supply of key business references, optimizing inventory levels in the chain, which contributed to better customer service.

In the first semester of 2012, *Compañía de Galletas Noel* obtained savings in working capital for COP 423 Million, derived from the implementation of the continuous–replenishment service.

WEBSITE CASES 2012



QUALIFICATIONS OF DIRECT–MATERIAL SUPPLIERS



We have not included suppliers from whom the businesses make direct purchases.

QUALIFICATIONS OF DIRECT–MATERIAL SUPPLIERS

FOR THE SUPPLIER:
- Improvements in planning
- Reduction of inventories
- Increase in the level of service

FOR *GRUPO NUTRESA*
- Synchronization according to demand
- Optimization of working capital
- Reduction in supply risk

SUSTAINABLE RAW MATERIALS

Grupo Nutresa promotes the commitment to sustainable development among its suppliers.

In Colombia:

- 79% of our raw–and packaging–material suppliers are certified in an international safety, quality, environmental or Fair Trade standard.
- 44% of the coffee suppliers have Rainforest and Fair Trade certifications.
- 81,2% of the corrugated materials used are made with recycled material and 18,8% with virgin pulp from forests certified by the Forest Stewardship Council (FSC).

INNOVATIVE SUCCESS STORIES WITH SUSTAINABLE IMPACT

Innovative Success Stories (*Éxitos Innovadores*) is a program that seeks to impact *Grupo Nutresa's* culture of innovation, through the participation of all employees in formulating and implementing ideas that generate value on *Grupo Nutresa's* profitability, productivity and sustainable development. In 2012, Management in Procurement Negotiations implemented 32 Innovative Success Stories, among which the following stand out for having an impact on sustainability:

- Implementation of the Design To Value (DTV) Methodology to approve allocations for plant staff, which generated savings and optimized delivery times and inventories.
- Implementation of eBilling (Electronic Invoicing): This system achieved reductions in time and operating costs, as well as obtaining a lower environmental impact by reducing the printing of invoices, saving ink, paper and physical storage space.
- The *Saltín Noel* individual package was redesigned, reducing the number of inks from eight colors to four, resulting in a decrease in inks of 25 tons per year.
- Negotiation tools through collaborative work between the *Grupo Nutresa* companies and their suppliers, developing best procurement practices.
- Improvement in stretch film with the delivery of this pre–stretched material resulted in fewer meters consumed.

OUR PROGRAMS TO STRENGTHEN THE SMALL FARMER

The *Fondo Cacao para el Futuro,* a sustainable model that joins investors and rural cocoa–bean producers, was designed by *Compañía National de Chocolates* together with *Bolsa y Renta*. It is developed in nine municipalities in the Department of Antioquia
A small cocoa bean plot, Maceo, Antioquia.

THE *CACAO* PARA EL *FUTURO* PRIVATE CAPITAL FUND

To promote the development of cocoa–bean crops, in 2010 *Compañía National de Chocolates* created the *Cacao para el Futuro* (Cocoa for the Future) Private Capital Fund, structured by the *Bolsa* y *Renta* Brokerage firm, as a novel tool for private investment, which contributes to the dynamics of the domestic capital market in the country. In this fund, rural families are favored by the transfer of knowledge and stable income in the medium term, since they deliver the crops for personal gain in an estimated time of 10 years, once investors recoup their investment and receive the yields agreed upon.

The project's goal is to reach 1.500 hectares. It currently operates in nine municipalities of Antioquia, where 1.118 hectares are registered in the program, of which 565 have been planted, benefitting nearly 70 families of associated farmers, mostly from the *Ecocacao* cooperative.

WITH PROGRAMS TO FOSTER COCOA AND SUPPORT COCOA FARMER PROJECTS, *COMPAÑÍA NACIONAL DE CHOCOLATES* INVESTED MORE THAN COP 2.945 MILLION IN 2012, WHICH BENEFITTED 5.408 FAMILIES OF SMALL PRODUCERS.

As a commitment to the sustainability and profitability of the project, *Compañía Nacional de Chocolates* invested COP 20 Million in the fund for technical assistance, advancing its development with activities to establish cocoa–bean cultivation, training in and development of technology to meet the expectations of investors and their direct active beneficiaries in the nine municipalities where it operates.

CHOCOLATE SANTANDER SUPPORTS THE PROFITABILITY OF RURAL FARMERS

Compañía Nacional de Chocolates promotes the production and benefit of high–quality cocoa beans with farmers selected by the Department of Santander, Colombia, through technical assistance, selection, Good Agricultural Practices (GAPs), assurance of benefit standards and the payment of bonuses on the price, to allow the characteristics of Colombian cocoa to be known worldwide, through the *Chocolate Santander* brand.

COMMITTED TO FARMERS

The *Compañía Nacional de Chocolates* Procurement and Promotion area has four field technicians and six professionals who advise potential and current producers of cocoa in the country. In 2012, they did research and conducted 37 technical trainings sessions, attended by 563 producers.

The *Compañía* supplied 164.400 seeds to increase the areas planted with outstanding varieties of cocoa bean; it continued assessing 30 new varieties of cocoa and conducted experiments to improve pest control in cocoa beans and fruit retention.

Similarly, it implemented the Cocoa–Producer Mass Disclosure (*Divulgación Masiva Cacaotera*) project, in which 369 farmers received 7.276 text messages relating to crop management, to improve their conditions.

PRODUCTIVE PARTNERSHIPS

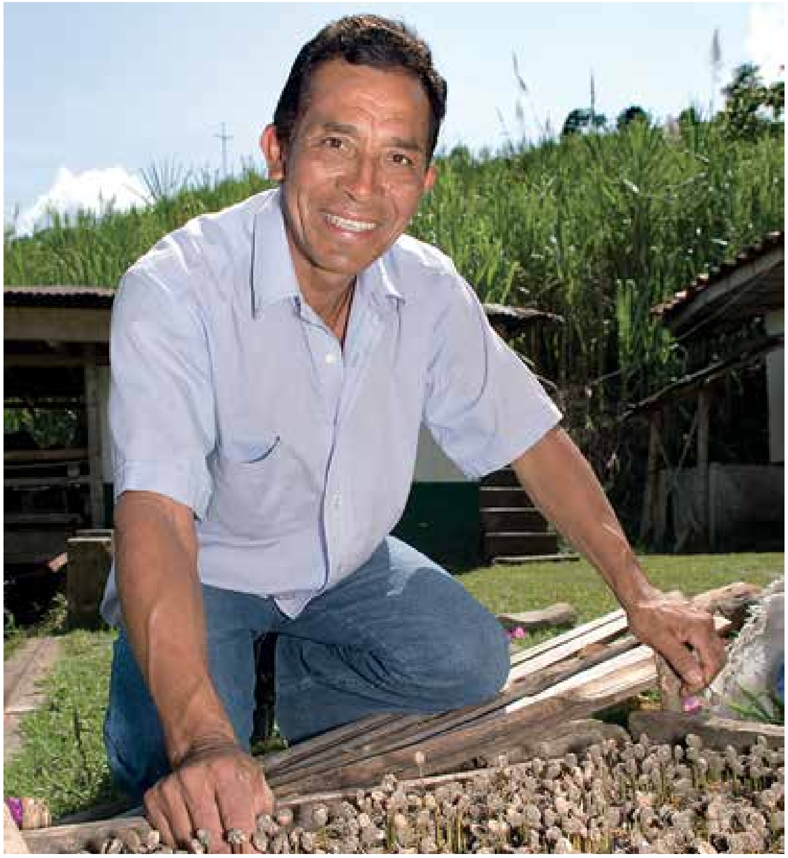
The Cocoa–Bean Producer Projects (*Proyectos Cacaoteros*) program includes productive partnerships with small producers, covering three principle axes of intervention: technical, social and business.

In the technical axis, we provide advice and training to farmers in cocoa crop management, in the processes of layout, planting, grafting, pruning, comprehensive crop management, harvesting, processing the bean and marketing.

In the social axis, we support integration events with farmers and encourage the consolidation of producer organizations.

In the business axis, we promote the marketing of cocoa and bring producers closer to *Compañía Nacional de Chocolates*.

During 2012, 457 families, with 922,5 hectares were benefitted. In total, this program has 12.689 hectares, benefitting 5.408 families of small producers.



A coffee grower in the *Eje Cafetero,* Colombia

MARKETING OF PRODUCTS UNDER THE FAIR TRADE LABEL, *COLCAFÉ* IMPROVES THE QUALITY OF LIFE OF COFFEE PRODUCERS

Colcafé has been a pioneer in promoting and marketing the Fair Trade products, seeking to improve the quality of life of farmers in Colombia. Thanks to this label, during 2012 more than 50,000 people from 20 cooperatives, located in eight departments in the country, were benefitted.

Thus, *Colcafé* transferred COP 3.861 Million, which were mainly earmarked for productivity and quality, social services to communities, generation of management skills, maintenance of the Fairtrade Labelling Organizations International (FLO) certification, environmental projects, education, occupational safety and medical services.

Since it began selling products under this certification, *Colcafé* has transferred resources for COP 17.372 Million to the communities benefitted by this program.

ADDITIONAL DONATION TO THE COFFEE GROWER COOPERATIVE IN AGUADAS

Strengthening the close relationship *Colcafé* has with the English market, through the sale of Fair Trade–certified products, in 2012 a donation for USD 200 thousand (COP 350 Million) was approved by The Co–operative Group, of England, for the Coffee–Grower Cooperative in Aguadas, in the Department of Caldas.

In 2013, investment will begin through a project that will improve the quality of life of 1.102 small coffee growers in the area and improve the coffee–processing plants of the partners of this cooperative.

Fundación Nutresa will be responsible for managing the money from England, which will complement the resources provided by the cooperative and the coffee growers, for a total investment of COP 1.198 Million.

WITH THE FAIR TRADE LABEL PROMOTED BY *COLCAFÉ*, MORE THAN 50,000 PEOPLE FROM 20 COFFEE–PRODUCING COOPERATIVES IN THE COUNTRY RECEIVED COP 3.861 MILLION, WHICH WERE INVESTED IN PROJECTS TO IMPROVE THE QUALITY OF LIFE.

WITH THE “SOWING SHIELDS OF PEACE” PROGRAM, *MEALS DE COLOMBIA* PROMOTES THE DEVELOPMENT OF BLACKBERRY FARMERS

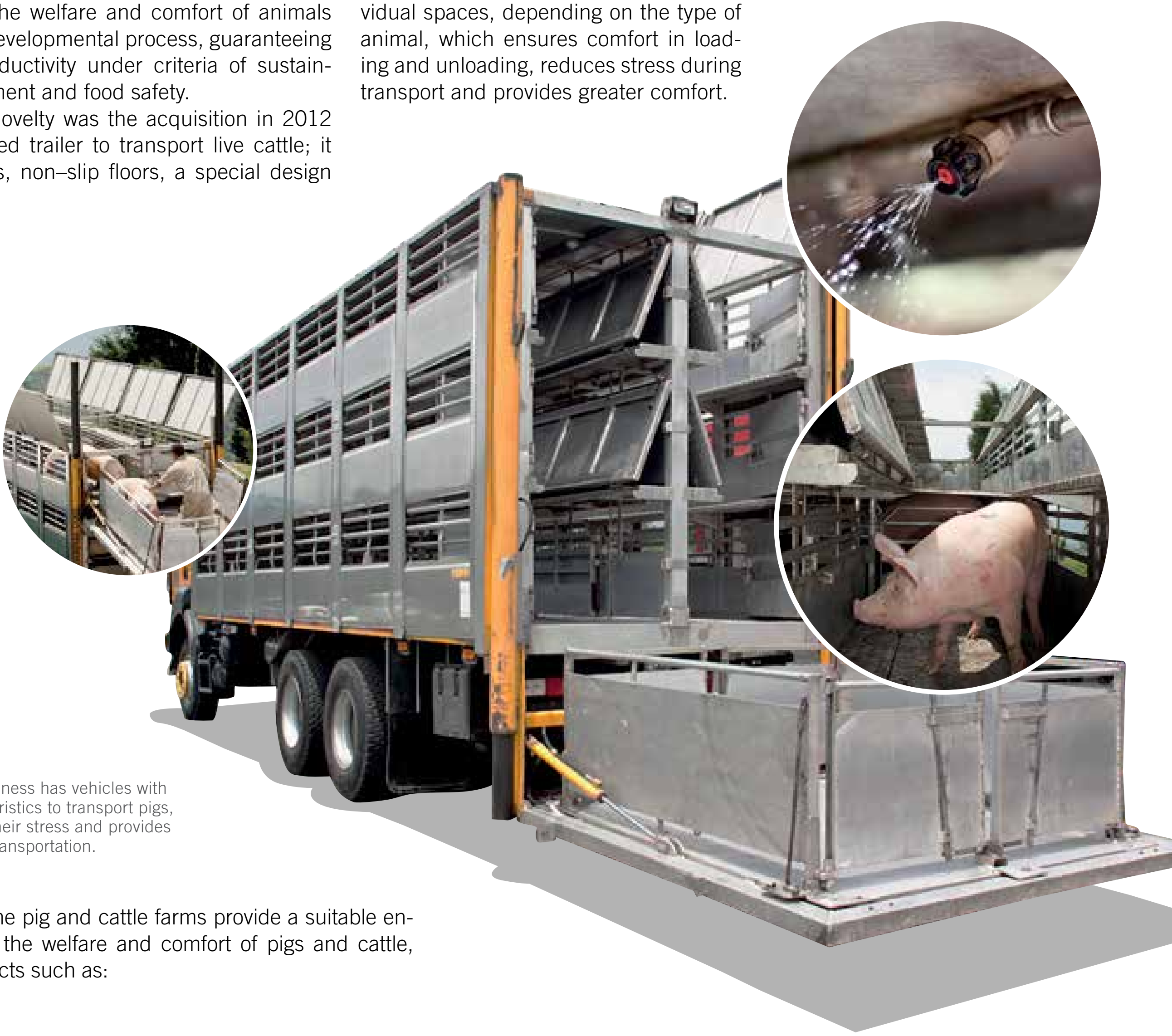
In a competitive, open environment with free–trade agreements, the development of fruit suppliers has become a vital strategy of sustainability. For this reason, the Agro–Industrial Division of *Meals de Colombia* has continued the commitments acquired in the productive partnership carried out with *SENA*, the University of Quindío and the Office of the Governor of the Department of Quindío, which works with 31 producers with an equal number of hectares of *Salentuna* thornless blackberry, located in the municipalities of Calarcá and Córdoba (Quindío), who are associated under the *UNIMOR* joint venture; this project has been denominated SOWING SHIELDS OF PEACE (*SEMBRANDO ESCUDOS DE PAZ*).

In 2012, *Meals de Colombia* purchased 86.374 kilos of blackberries with shoots and 6.529 kilos without shoots, for a total value of COP 168 Million; the blackberries are used to make sauces, marmalades and bases for juices, for the products of *Meals* and other industrial clients in the country.

WE WORK FOR ANIMAL WELFARE

The Cold Cut Business provides a suitable environment for the welfare and comfort of animals during their developmental process, guaranteeing adequate productivity under criteria of sustainable development and food safety.

The main novelty was the acquisition in 2012 of a specialized trailer to transport live cattle; it has two levels, non–slip floors, a special design with ventilation slits, separators and individual spaces, depending on the type of animal, which ensures comfort in loading and unloading, reduces stress during transport and provides greater comfort.



The cold cut business has vehicles with Optimal characteristics to transport pigs, Which reduces their stress and provides Comfort during transportation.

Additionally, the pig and cattle farms provide a suitable environment for the welfare and comfort of pigs and cattle, ensuring aspects such as:

NUTRITION
A diet formulated by experts who monitor and control the amount and quality of water and food.

HEALTH
Implementation of Good Manufacturing Practices and biosecurity programs that include health and vaccination plans.

ABSENCE OF PHYSICAL AND THERMAL DISCOMFORT
Installations and equipment that offer comfort, both in pens and pastures, as well as in transport.

ABSENCE OF FEAR, PAIN AND STRESS
Pigs undergo immunological castration.

19 **The 19 trucks specially adapted to transport pigs and cattle are part of the Cold Cut Business infrastructure. Around 13.000 animals are moved monthly.**

BEING THE BEST PARTNERS FOR OUR CLIENTS

Clients are the center of action of our logistics and commercial networks; we work for their satisfaction, growth and development.
Comercial nutresa employees, Medellín, Colombia.

As strategic partners of our clients, we provide tools for their growth and development, as well as increase their level of satisfaction with the products and services of all the *Grupo Nutresa* Businesses.

In 2012, the results of the Client Partner Study (*Estudio Socio del Cliente*) for our commercial networks reported the rational and emotional motivations that lead them to prefer a supplier. After presenting the new value proposals to a representative group of clients, we formulated them for implementation in 2013.

COMMERCIAL DEVELOPERS TO BENEFIT OUR CLIENTS

Comercial Nutresa, the company in charge of selling and distributing the Biscuit, Chocolate, Pasta and Coffee Business products and the Cold Cut Business long–life line, has specialists in the comprehensive development of points of sale for clients, contributing to the growth and competitiveness of their businesses in the market, while contributing to achieve the organizational strategy.

THE VOICE OF THE CUSTOMER

Customer satisfaction is fundamental; for this reason, listening tools are available to understand customer feelings and assess their level of satisfaction with the elements of our value proposition.

These tools include visits and talks by business and customer–service executives of our commercial networks, and national surveys on satisfaction by channel and region. In addition, the Client Interaction Center (*Centro de Interacción con Clientes,* CIC) is available to receive any information, request or complaint from clients and activate the corresponding support for service.

In 2012, *Novaventa*, our alternative–channel marketing and distribution company, which operates in Colombia, underwent a period of transformations to study satisfaction; it implemented a methodology that brought us qualitatively and quantitatively closer to the expectations of the value proposal, directed at entrepreneur mothers. Likewise, the study identified elements related to customer loyalty.

As a quantitative factor, we obtained an 82,4 level of satisfaction, which places the Business in a range of average satisfaction, making this a challenge for the coming years. However, the actions in 2012 show an increase in the retention rate of entrepreneur mothers.

In *Helados Nutresa,* we developed four loyalty programs for the channels of Super Partners (*Súper Socios*), Travelling Your Path Together (*Recorriendo Juntos tu Camino*), Special Client (*Cliente Especial*) and Tools to Grow (*Herramientas para Crecer*), which impacted 3.000 preferential customers.

Abroad, the satisfaction–index measurement was applied to 151 customers, located in 48 countries, with a score of 4,33 over 5,00. This highlights an improvement of *Galletas Nutresa,* which increased from 4,29 to 4,31.

COMMERCIAL DEVELOPERS IN THE COMPANY:

- generate preference for the company, since it is the only one that comprehensively trains and advises its clients.
- get better locations for preferential products and spaces on the shelves.
- increase knowledge of the channel by the vendor, which gives greater advisory capacity.

Compañía de *Galletas Pozuelo* logistics operation, San José de Costa Rica.

25%

There was a 25% increase in sales, on average, for the 551 clients who worked with the *Grupo Nutresa* commercial developers. Our products grew 20% in sales and 65% in visibility in their businesses.

INTERNATIONAL MEASUREMENT

To measure customer management internationally, we applied the Customer Engagement Index (CEI). In 2012, this indicator was 0,64, a value better than the 0,5 expected and higher than the index earned in 2011, which was 0,57. The result of *Colcafé*, which achieved an index of 0,72, is highlighted.

The CEI combined, in a single indicator, the perceptual assessment on four fronts:

- **Perceptual satisfaction:** This refers to the general perception of service by clients.
- **Consideration:** This is understood as the willingness the client has to consider us as a supplier in the future.
- **Recommendation:** This indicates the degree to which a client is willing to recommend us to other persons.
- **Competitive Advantage:** This represents the advantage the client perceives in working with us rather than our competitors.

TRAINING FOR OUR CLIENTS

The *Grupo Nutresa* Grocer's Schools continue to provide knowledge to their clients, through an environment to learn, energize experiences and generate ties of loyalty.

In 2012, we trained 334 shopkeepers, 156 convenience–store administrators and 50 wholesalers. We assisted 216 stores in improvements of their points of sale and in the administration of the business. This program was conducted in partnership with *Pontificia Universidad Javeriana.*

PROGRAMS AIMED AT STRENGTHENING OUR CLIENTS

We have programs aimed at strengthening the commercial work of the alternative channels and independent retailers. This management provides strategic objectives of profitable, social growth.

The *Novaventa* network of entrepreneur mothers is a sustainable model of work that generates income for nearly 74.000 women in Colombia and the development of an alternative–sales channel.

ENTREPRENEUR MOTHERS, KEY IN *NOVAVENTA*

Through the network of entrepreneur mothers, the *Novaventa* direct–sales channel ended the year with 73.900 mothers, of whom 32.063 participated in training scenarios in family and sales matters.

Likewise, they had the opportunity to learn, know and interact with some of the *Grupo Nutresa* brands, such as *Jet, Chocolisto* and *Zenú,* which participated with activities to celebrate special dates, such as Mother's Day, Children's Day and Recipe Day.

The Web community for leader mothers was launched and 18 editions of the magazine *Road to Your Dreams (Camino a tus Sueños)* were published, in a medium of proximity and contact in which entrepreneur mothers receive training content about family, children, adolescence, nutrition and methodologies to strengthen their business.

Finally, the direct–sales channel began the Delta Project, which seeks to strengthen the value proposition for entrepreneur mothers by consolidating the business model to offer them a long–lasting relationship over time, as well as entrepreneurship, projection, training, recognition and family growth.

TILINES (ICE CREAM CART)

This on–foot sales channel is an alternative to generate income for low–income communities. In 2012, we obtained a growth in clients in this channel, reaching 400 merchants with a network of 3.872 independent vendors, which represents a growth of 2%.

Travelling Your Path Together (*Recorriendo Juntos tu Camino*) is the loyalty program for these businessmen and their independent vendors, which provides tools to support the development of their business. In 2012, we achieved a 4,9 over 5,0 level of satisfaction and had an investment of COP 300 Million.

ICE CREAM UNIVERSITY, DEVELOPMENT AND PROFITABILITY

Framed in the corporate philosophy of supporting the development of our clients, *Helados Nutresa* has a program that helps improve their income.

The Ice Cream University (*Universidad del Helado*) program seeks to develop and improve the sales management of ice cream parlor clients, in order to make their business more profitable. A total of 219 clients in 10 cities participated in the modules: the ice cream production process, marketing, sales and new preparations; and attendees made a positive assessment of the training.

CERTIFICATION OF FRANCHISED ICE CREAM PARLORS

The *Helados Bon* Training Center identifies and supports entrepreneurs interested in managing one or more ice cream parlors, through franchises. This business practice certified 17 franchisees in the Dominican Republic in 2012.

Meals de Colombia promotes the work of 400 small ice cream retailers.

Our Planet

OUR ENVIRONMENTAL COMMITMENT

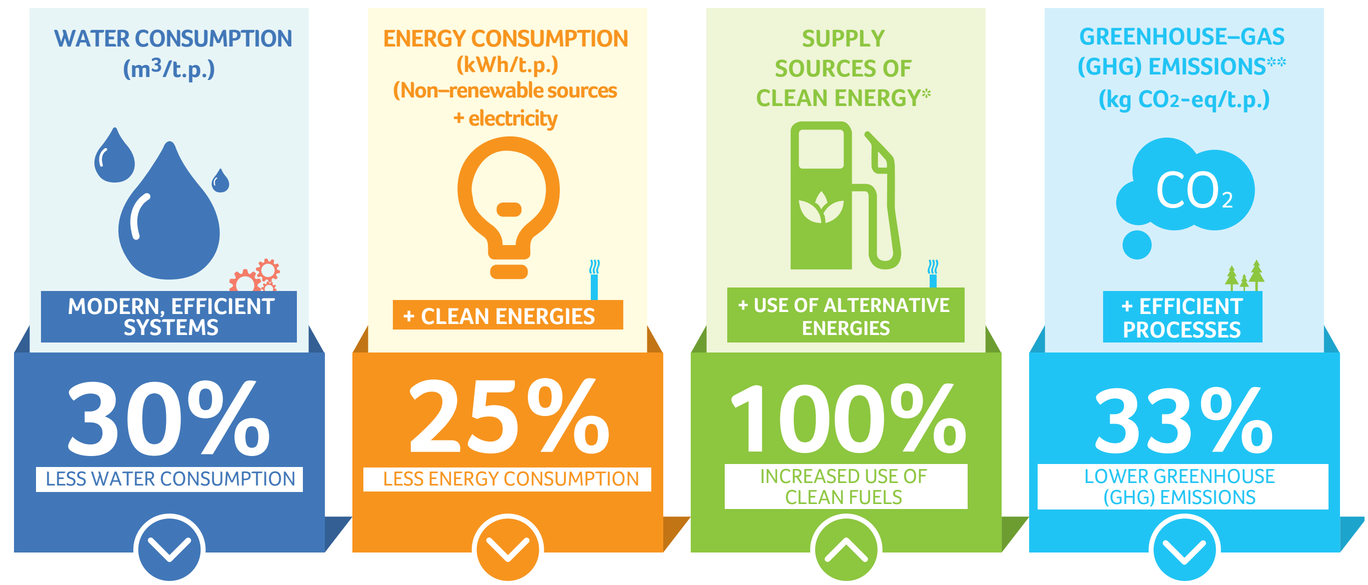
The *Novaventa* plant has a sustainable microsystem, made up of an artificial lake fed by rainwater, which serves as a reservoir for water for the plant and a forest of native trees to which migratory birds and local fauna arrive. The lake water is a source for the industrial process; it is treated and discharged to natural waters with better conditions than those received at their origin. El Carmen del Viboral, Colombia.

We have adopted Sustainable Development as a surrounding framework for the *Grupo Nutresa* strategic objectives and corporate performance, to achieve results that provide a beneficial balance for all stakeholders related to our company.

In line with this framework and as global citizens, we give special priority to ensure that our corporate interaction with the environment is carried out responsibly, contributing to its equilibrium, with the efficient use of natural resources and the harmonious relationship with our planet.

We are aware that one of the main challenges of the global food industry, of which we are protagonists, is the effect of climate change and its effect on the supply and prices of raw materials and the use of agricultural supplies to produce energy. Our commitment to address this issue is to focus our efforts in the ongoing search for greater energy efficiency and the use of cleaner technologies, leading to the reduction of greenhouse–gas (GHG) emissions and a more efficient use of water, energy and the raw materials in all our processes and products.

OUR GOALS IN 2020



WE FOCUS OUR EFFORTS IN THE ONGOING SEARCH FOR GREATER ENERGY EFFICIENCY AND THE USE OF CLEANER TECHNOLOGIES, LEADING TO THE REDUCTION OF GREENHOUSE–GAS (GHG) EMISSIONS.

We also recognize the multiplying result of the collective achievements and we seek to educate our suppliers in the framework of environmental sustainability and climate change. We work collaboratively with governments and entities to adopt programs and policies that guide responsible business behavior toward the environment.

We give priority to proactive management and prevention to prevent and manage environmental impacts and we seek the commitment of all our employees for a responsible, harmonious relationship with the environment, not only in their work processes but also in their daily life and coexistence with the community.

ENVIRONMENTAL POLICY

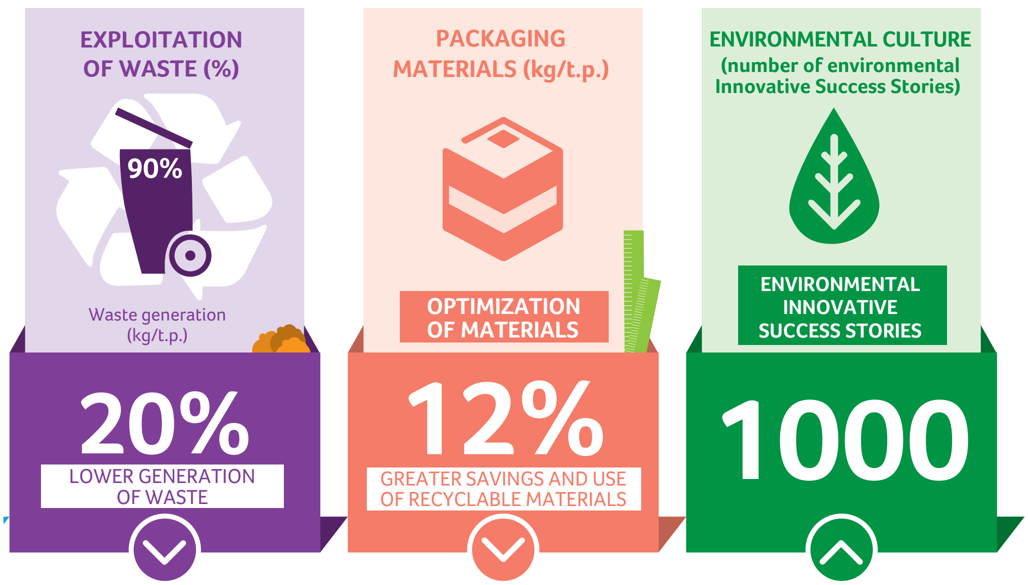
Under this framework of action and commitment, the Corporate Environmental Policy has been defined; this is an essential element of our commitment to Sustainable Development, governed by the following basic principles:

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

We consider it essential to promote permanent projects and practices with eco–efficiency criteria, seek savings and efficiency in processes with better industrial performance, use appropriate, environmentally friendly technologies and establish indicators and progress goals regarding the use of natural resources.

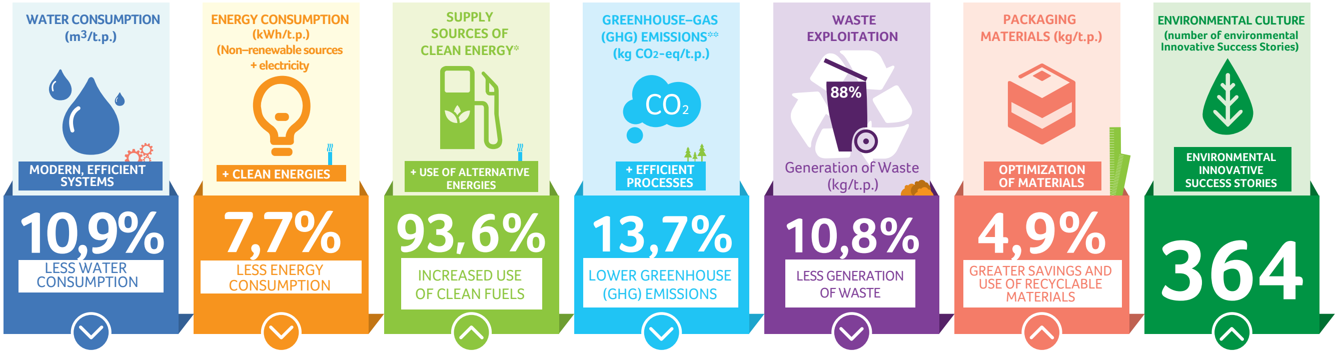
STRATEGY AND COMMITMENT TO 2020

We have set the following strategic objectives and commitments, to improve our environmental performance, taking 2010 as the base year:



- Apply the eco–efficiency criteria as a key variable to develop projects and products.
- Focus of the life–cycle of products to improve environmental performance.
- Ensure that 100% of the operations have certified environmental–management systems.
- */Includes the use of biomass.
- **/Greenhouse–Gas (GHG) Emissions include scopes 1 and 2
- Base year 2010

2010–2012 RESULTS



CONSOLIDATED ENVIRONMENTAL–PERFORMANCE INDICATORS

The principal *Grupo Nutresa* consolidated indicators in accordance with the GRI G3.1 Guideline:

General Summary Environmental Indicators	Units	2010	2011	2012
Environmental expenditures and investments	Millions $	8.847	11.913	12.631
Raw materials	ton	486.238	502.242	520.379
Total packing material	kg. / t.p.	-	34,8	35,7
Thermal energy	kWh / t.p.	542,0	520,8	498,9
Electric energy	kWh / t.p.	217,8	204,8	202,1
Renewable energy	kWh / t.p.	142,1	127,9	109,1
Total energy	kWh / t.p.	901,9	853,5	810,1
Water consumption	m^3 / t.p.	2,28	2,19	2,04
Reused water	m^3	19.979	20.569	62.602
Percentage of reused water	%	1,3	1,4	4,3
Waste generation	kg. / t.p.	26,3	24,2	23,5
Waste exploitation	%	80,8	85,8	88,0
BOD_5: Biochemical Oxygen Demand	kg. / t.p.	0,77	0,93	1,18
PM: Particulate Matter	kg. / t.p.	0,119	0,038	0,029
SO_2: Sulfur Dioxides	kg. / t.p.	0,090	0,086	0,069
NO_X: Nitrogen Oxides	kg. / t.p.	0,166	0,151	0,120
VOC_S: Volatile Organic Compounds	kg. / t.p.	-	-	0,01
ODS: Ozone Depleting Substances	Ton-eq. CFC-11	0,44	0,22	0,29
Direct CO_2 Emissions (Scope 1)	Ton CO_2 eq.	75.858	77.609	78.690
Indirect CO_2 Emissions (Scope 2)	Ton CO_2 eq.	26.258	14.369	17.895
Total CO_2 Emissions (Scope 1 + 2)	Ton CO_2 eq.	102.116	91.978	96.584
Direct CO_2 Emissions (Scope 1)	kg CO_2 eq / t.p.	116,4	113,9	110,2
Indirect CO_2 Emissions (Scope 2)	kg CO_2 eq / t.p.	40,29	21,09	25,1

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

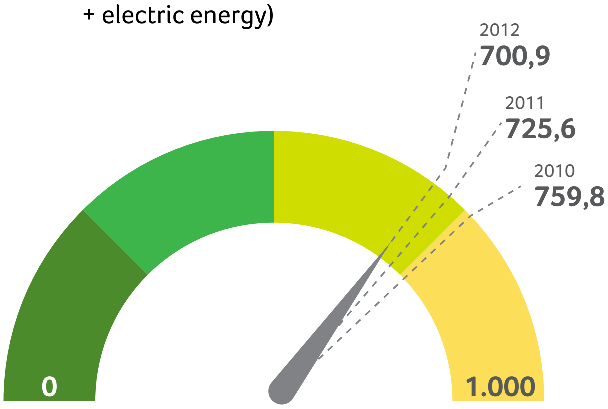
Standard calorific values used to calculate energy: Coal (22.000.000 BTU/t), Diesel (144.000 BTU/gal), Fuel oil (147.570 BTU/gal), Gaseous LPG (88.268 BTU/m^3), Liquid LPG (92.000 BTU/gal), Natural Gas (35.280 BTU/m^3), and Gasoline (115.000 BTU/gal).

Calorific values used to calculate greenhouse–gases (GHG): Coal (25,23 MJ/kg), Diesel (135,67 MJ/gal), Fuel Oil (139,75 MJ/gal), Gaseous LPG (108,55 MJ/m^3), Liquid LPG (96,68 MJ/gal), Natural Gas (33,80 MJ/m^3), Gasoline (118,87 MJ/gal).

ENERGY CONSUMPTION

The indicator of energy consumption per ton produced shows a decrease of 3,4% in the year, for a total of 7,7% in the period 2010–2012, in line with the reduction goal of 10% established for 2015.

ENERGY CONSUMED (kWh/t.p.) (non–renewable energy sources + electric energy)

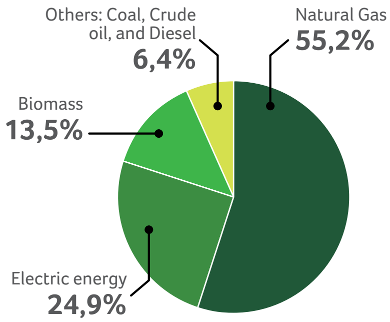


This graph does not contain consumption from renewable energy sources

The total energy use of our consolidated energy sources focused on the use of cleaner fuels, such as natural gas and electric energy, accounting for 55,2% and 24,9%, respectively, with a cumulative value of 80,1% and a significant increase compared to the previous year of 5,2%.

The use of biomass originated in the productive processes, used as an energy source, represents 13,5% of the basket, with 6,4% remaining in other types of fuels. We emphasize the 2020 goal as a Group that uses 100% of supply sources of clean energy, including the use of our own biomass. This requires us to make progress in reducing fuels that are considered less clean, such as crude oil and diesel, which we expect to use only in cases of emergency due to the outage of electricity or natural gas.

PARTICIPATION IN THE ENERGY BASKET



7,7%

is the decrease in energy consumption per ton produced in the period 2010-2012

Examples of products developed in the different Businesses in the search for greater energy efficiency:

- Economizer in the coal boiler, which means a savings of 1.160.610 kWh/year (*Chocolates Nutresa*).
- Energy optimization in air–cooling generation equipment, saving 237.635 kWh/year (*Chocolates Nutresa*).
- Installation of speed variators in high–stage compressors, contributing to a decrease in electric consumption of 166.620 kWh/year (*Helados Nutresa*).

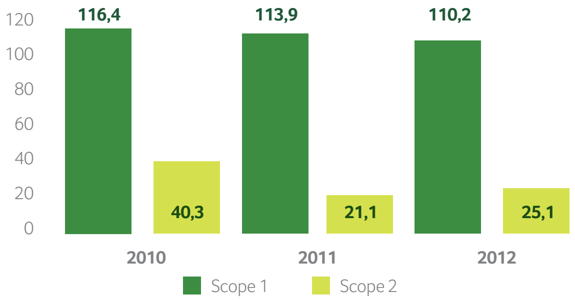
Increased energy efficiency in the use of biomass.
The *Colcafé* Plant, Medellín, Colombia.

GHG EMISSIONS

Grupo Nutresa recognizes the effects of climate change on the planet's ecosystems and, since 2010, it has been conducting a Greenhouse Gas (GHG) Emission inventory for each one of the Organization's plants. The methodology used is the ISO 14064–1 standard and the Greenhouse Gas Protocol guidelines, published by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD).

Following the principles of relevance, integrity, consistency, transparency and precision, in the plants that have operation controls in Colombia, an inventory of the direct emissions (scope 1) and indirect emissions for the use of electricity (scope 2) was conducted, validated by Global Alliance for Incinerator Alternatives (GAIA), with the following results:

SPECIFIC EMISSIONS
SCOPE 1 AND SCOPE 2 (Ton of CO_2-eq/t.p.)



Thus, we obtained a reduction of 3,3% in scope 1 emissions over 2011.

The specific emissions of scope 2–not directly controlled by the organization and resulting from how energy is generated in Colombia–are a variable factor in time and depend on the composition between hydroelectric and thermal generation.

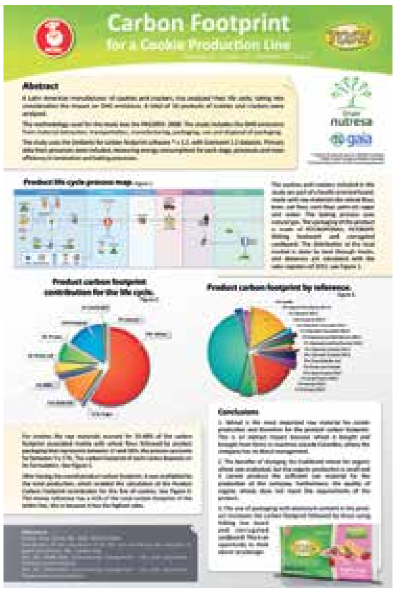
Examples of the reduction of Greenhouse Gas (GHG) emissions, carried out by the Businesses, through the development of projects that promote eco–efficiency, include:

- The reconversion of the coal boiler to natural gas, which prevents the emission of an estimated 6.700 tons of CO_2–eq/year (*Chocolates Nutresa*)
- The change of fuel in boilers from used oil to natural gas, with which a reduction of 200 tons of CO_2–eq/year was achieved (*Cárnicos Nutresa*)
- An improvement in the combustion of coffee grounds, which reduced the emissions of fossil fuels by 324 tons of CO_2–eq/year (*Cafes Nutresa*)

Each one of the Businesses measured the "Product Carbon Footprint" of its principal Pareto products. These measurements, made with specialized software, become tools that allow focusing efforts and achieving improvements in the environmental performance of the different products.

We participated in LCA FOOD 2012, a World Food Symposium, held in Saint–Malo, France, with two presentations conducted by the Cold Cuts and Biscuit Businesses, reflecting the commitment to and priority in the timely analysis of the product footprint.

"Environmental Aspects Used for Food Packing Design and Product Carbon Footprint Assessment"
"Aspectos Ambientales usados para el diseño y producción de empaques de alimentos–Huella de Carbono".

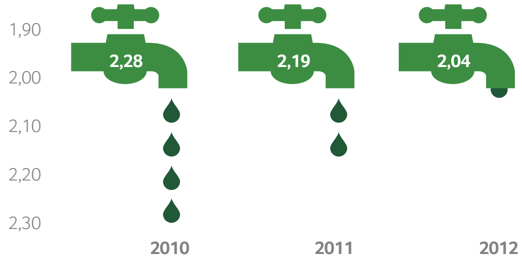


"Carbon Footprint for a Cookie Production Line"
"Huella de Carbono de Línea de Galletas Tosh"

WATER CONSUMPTION

There was a 7,3% decrease in water consumption per ton produced (the reduction in the period 2010–2012 is 10,9%). This result is in line with the goal set.

WATER CONSUMED (m^3/t.p)



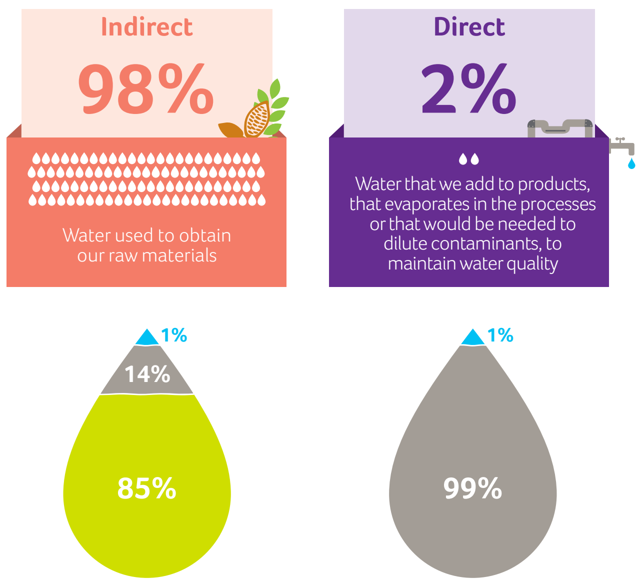
THE CORPORATE WATER FOOTPRINT

Blue Water Footprint: Surface or subterranean water used in processes and that evaporates or is incorporated in a product.

Green Water Footprint: Rainwater incorporated into crops and stored in the soil as humidity.

Grey Water Footprint: Water required to dilute contaminants from a watershed to achieve the quality required by local regulations.

Our Corporate Water Footprint



An example of initiatives to optimize the efficient use of water is that conducted by *Cárnicos Nutresa,* which has reduced the consumption of this resource through the optimization of washing systems, acquisition of equipment that consumes less water and water–recirculation projects in service processes.

We believe that all our operations have safe sources of supply, provided by utility companies or with water supply sources permitted by environmental authorities; that there is no shortage of water, except in exceptional cases that may affect the provision of public utilities to the entire community; and that the volumes required individually in the different industrial facilities of our Businesses are low relative to demand and the supply volume available.

10,9%

We decreased water consumption per ton produced by 10,9% between 2010 and 2012

We conducted a project to calculate the Corporate Water Footprint of our plants in Colombia, to determine where the most significant impacts of *Grupo Nutresa* on water resources are, to formulate a response strategy to diminish, mitigate and compensate these impacts. The study was carried out with Global Alliance for Incinerator Alternatives (GAIA) Environmental Services and was presented for certification to the Water Footprint Network, which verifies that the global standards established in The Water Footprint Assessment Manual have been correctly applied in the study. This is one of the first review studies conducted in Latin America and, given the interest that motivates it, we have been invited to present the findings of this study on its Webpage.

The total Water Footprint calculated is 4.868 million m^3/year, of which 98% corresponds to the indirect Water Footprint associated with the supply chain, mainly from crops and the production of the principal raw materials: milk, sugar, meat, coffee, cocoa and wheat. The remaining 2% corresponds to the direct Water Footprint.

The indirect Water Footprint associated with the supply chain of raw materials is an aspect that is not under our direct control, but which encourages us to participate in initiatives related to efficient water use. To decrease the direct Water Footprint, we have designed two strategies: reduce water consumption in processes and reduce the grey Water Footprint, through the optimization of wastewater treatments. These strategies in the treatment systems are in line with the corporate goal of reducing water consumption by 30% by 2020.

***GRUPO NUTRESA* IS THE FIRST REAL–SECTOR COMPANY IN LATIN AMERICA THAT HAS ADHERED TO THE CEO WATER MANDATE, A PROGRAM OF THE UNITED NATIONS GLOBAL COMPACT.**

Grupo Nutresa has joined the CEO Water Mandate, a program of the United Nations Global Compact. We are the first real–sector company in Latin America to adhere to it. We hope to lead water resource management programs, for both their direct and indirect impact, and we support the development of sustainability strategies and policies on the use of these resources.

Changing fuel in boilers. The *Cárnicos Nutresa* Plant, La Ceja

EMISSIONS

In line with fuel switching, the reduction of consumption of major energy, the installation of environmental–control systems and increases in thermal efficiency in processes have managed to reduce the amount of particulate matter and gases emitted into the atmosphere by (25,2%) Particulate Matter; (20,1%) Nitrogen Oxides (NO_x) and (20,0%) Sulfur Dioxide (SO_2), contributing to improved air quality, where our plants are located.

WASTE

Grupo Nutresa continues to deepen the Comprehensive Solid–Waste Management (*Manejo Integral de Residuos Sólidos,* MIRS for its initials in Spanish) programs in all its plants and the environmental–education process goes along with it. We have reduced waste generation by 3% over the previous year. The pollutant–substitution programs and the reduction of hazardous materials used have allowed a decrease of 6,3% in hazardous waste compared to 2011.

SUPPLIER RELATIONS

We manage relationships with our suppliers that go beyond compliance with environmental standards, seeking to create in them the skills to become improvement agents. The Supplier Evaluation program has a special section focused on training and the alignment of our suppliers with environmental–risk management; in addition, we have implemented a program of Environmental Requirements for Suppliers in the *Grupo Nutresa* plants that have ISO–14001 certification. This program seeks to sensitize suppliers to the basic aspects of environmental protection, such as ensuring the transport of supplies with reliable fleets that decrease environmental impacts, reliable transport of chemical substances, among others.

During 2012, one hundred percent of the *Zenú* suppliers of chemicals and lubricants were sensitized through pamphlets on environmental requirements. These requirements had already been implemented in the *Chocolates, Noel* and *Colcafé* plants; in 2013, these requirements will be extended to all *Grupo Nutresa* suppliers.

We work closely with our suppliers through the Innovative Success Stories program, leveraging their knowledge and experience to generate actions in favor of environmental protection, such as developing packaging materials with lower weight, smaller sizes, fewer amounts of ink, etc. We assessed several Innovative Success Stories with an impact on sustainability implemented in 2012, such as the use of electronic invoicing, the redesign of staff clothing at the plants, and the reduction of packaging inks.

In *Galletas Nutresa* an important corporate–focus pilot project entitled Clean Transportation Manual–A Focus on the Carbon Footprint for the Automotive Cargo Land–Transport Subsector" was carried out. Together with GAIA and the transport–service providers in this Business in Colombia, we seek efficiencies in the emission–generating processes that we hope to replicate in the entire *Grupo Nutresa* transport operation. This study undoubtedly contributes to the consolidation of transport that is a more–responsible transport, a competitive, environmentally friendly network and the adoption of good environmental practices to reduce the carbon footprint in land transport.

ENVIRONMENTAL CULTURE

Grupo Nutresa has adopted environmental education as a tool to strengthen a change of attitude regarding the environment in people, which is why efforts are aimed at leadership and cultural transformation of employees, through the following tools:

- Innovative Success stories: Through this corporate program, we encourage the development and implementation of ideas that contribute to savings and the efficient use of resources. In 2012, 146 environmental success stories were presented, a reflection of the commitment and high motivation that our employees have regarding Environmental Sustainability.
- Environmental Committees: In each Business, there are interdisciplinary groups to achieve outstanding results in the operational eco–efficiency of the plants.
- Education and Training: Through the TPM methodology of continuous improvement, the companies have created space to develop knowledge and skills around environmental topics. One of the pillars of this methodology is SHE–Safety, Hygiene and Environment–which has created a close, direct relationship with employees directly involved with TPM certification in the operations in Colombia.
- All the Businesses conducted environmental–sensitizations programs and activities to make employees and suppliers conscious about seeking a harmonious relation with the environment and transferring their knowledge to their families and the community.

ENVIRONMENTAL MANAGEMENT SYSTEMS

In 2012, we obtained certification under the ISO–14001 international standard in the *Zenú* plants belonging to *Cárnicos Nutresa; Industrias Aliadas,* belonging to *Cafés Nutresa* and, recently, in the *Pasta Doria* plants. Thus, the Biscuit, Chocolates and Coffee Businesses have all their plants certified in Colombia under this international standard. In 2013, we expect to cover the entire Pasta Business and continue with the Ice Cream and Cold Cuts Businesses.

CONSERVATION OF BIODIVERSITY

The Medellín Botanical Garden is conducting a project entitled Forests for the Conservation of Biodiversity (*Bosques para la Conservación de la Biodiversidad*) as part of the Antioquia Forest Pact (*Pacto por la Defensa de los Bosques de Antioquia*); its purposes are the knowledge, preservation, restoration, establishment and sustainable use of natural forests and forest, agroforestry and silvo–pastoral plantations in Antioquia, and the development of a forestry culture associated with these ecosystems.

Grupo Nutresa is a signatory of this Pact and, in line with this commitment, *Colcafé* supported this environmental initiative, donating the resources necessary to acquire the 147–hectare *Santa Ana* property in the municipality of Jardín, Antioquia, where the Botanical Garden will conduct different projects for the conservation of biodiversity, water resources, biology, research work and environmental education. This property will be conserved as an *in situ* reserve for citizens.

Caring for the environment is a premise of the industrial operation of our companies. The forest adjacent to the *Compañía National de Chocolates* factory, Rionegro.

COP 33.391

We have invested COP 33.391 Million in Comprehensive Environmental Management in the period 2010–2012.

INVESTMENTS

In 2012 we made investments in comprehensive environmental management worth COP 12.631 Million, of which *Chocolates Nutresa* represents 32%; *Cafés Nutresa,* 30,9%, and *Cárnicos Nutresa,* 19%. Environmental expenses and investments made during 2010 amounted to COP 33.391 Million.

ENVIRONMENTAL INCIDENTS

In 2012, there were no incidents or events that caused any environmental damage or that produced decisions by environmental authorities that highlight any breach of environmental regulations in the countries in which we operate.

RELATIONSHIP

We continue an active relationship with academic and university centers on issues of environmental management and sustainable development. We maintained active participation in the National Association of Industrialists of Colombia (*Asociación National de Empresarios de Colombia,* ANDI) national and regional Environmental Committees, where exchanges of experiences, analysis of regulations with the Government and environmental authorities were conducted. We also have an active relationship with these authorities and the Colombian Ministry of Environment and Sustainable Development.

ACKNOWLEDGEMENTS

Leadership and contribution to economic development

Grupo Nutresa President, Latin American CEO Number 20 in the Harvard Business Review ranking

April

Carlos Enrique Piedrahíta A., *Grupo Nutresa* CEO, occupied position number twenty in the ranking of the 50 CEOs with the best performance in Latin America, conducted by **Harvard Business Review.** He is the first Colombian to occupy this position in the list and the first Latin American in a food company. This analysis applied a methodology that measures total profitability for shareholders generated by the CEO, the main purpose of his management.

Grupo Nutresa in the American Economic Journal ranking

May

Each year, the prestigious publication **American Economic Journal** publishes the ranking of the largest companies in the region with a Latin American scope; *Grupo Nutresa* was ranked number 22.

Grupo Nutresa Among the Companies with the Best Reputation in Colombia

October

In a study conducted by *Merco Colombia* during 2012, to measure the most reputable companies in the country, the business leaders with greatest recognition and the companies that stand out for their social responsibility management, *Grupo Nutresa* occupied third place in the business ranking, first place in the food sector and stood out as one of the five companies with greatest recognition in corporate social responsibility. In the evaluation of *Merco* Leaders, *Grupo Nutresa* CEO Carlos Enrique Piedrahíta A. formed part of the group of the country's five leading executives.

Corporate Social Responsibility

Grupo Nutresa and Fundación Nutresa Received Transparency Awards

September

The Business Transparency Awards from the Office of the Governor of Antioquia and the Office of the Mayor of Medellín, in Colombia, are a recognition by Government authorities, who seek to make honest, transparent work in the business sector visible to the city, the region, the people, the Government and its stakeholders.

In its 2012 version, *Grupo Nutresa* won the award in the category of Good Corporate Governance. The criteria taken into account for the recognition made reference to compliance with the greatest number of Good Corporate Governance principles promulgated by the Organization for Economic Cooperation and Development (*Organización para la Cooperación y Desarrollo Económico*). *Fundación Nutresa* was recognized in the category of Best Social Responsibility Practice, which assesses compliance with the largest number of the 10 principles of the United Nations Global Compact.

Fundación Nutresa among the Best for its Nutrition and Food Program in the Britcham Award

November

The Colombo–British Chamber and its program *Britcham Lazos* awarded second place to *Fundación Nutresa* for the best nutrition and food program with the community, thanks to the projects carried out in 2012 with the Food Banks of the country. These non–profit agencies work for food security in the countries where they operate. The award also highlighted *Fundación Nutresa's* Corporate Social Responsibility (CSR) management, through the delivery of products to the vulnerable population of Colombia and its commitment and contribution to the Millennium Development Goals, which seek to work for the eradication of extreme poverty and hunger.

Portafolio Social Responsibility Award 2012 for *Grupo Nutresa*

December

The *Portafolio* Awards are awarded by this renowned Colombian newspaper company of the same name. Each year the entity, with an independent jury recognized in the country, elects the company that has excelled in its social management, for its active, voluntary contribution to social, economic and environmental improvement in Colombia. In 2012, this distinction was awarded to *Grupo Nutresa.*

Human Resource Management

The "Live with Sense " Program, Winner of the Responsible Hearts Award

January

"Live with Sense" (*Vive con Sentido*), a program created by *Noel* for its employees, was recognized by the Colombian Heart Foundation (*Fundación Colombiana del Corazón*) as the best organizational program that promotes a culture of healthy habits, a balanced life and wellness in all dimensions of being, as the surest path to a better tomorrow. This program is recommended by the Colombian Ministry of Social Protection, as a reference for the business sector.

Grupo Nutresa Among the Five Best Companies to Work in Colombia

June

The independent company *Merco*, conducted the *Monitor Merco Personas Colombia,* which assesses the Labor Quality, Employer Brand and Internal Reputation of companies. In its study, *Grupo Nutresa* continues among the five best–evaluated companies by the audiences consulted: workers, the public in general, students in their last semester of studies and human–resource experts; *Grupo Nutresa* also stood out in the comparative analysis of human resources.

The *Preventico* Global Award for Compañía Nacional de Chocolates of Costa Rica

September

Recognition for the best Occupational Health Management was awarded to *Compañía Nacional de Chocolates* of Costa Rica by the *Instituto Nacional de Seguros.*

Nutresa de México, Distinguished for its Commitment to the Education of its Workers

November

Under the actions taken to further the education of its workers, the *Compañía Nutresa México* was exalted by the National Institute for Adult Education in Mexico.

The *CINCEL* Study in Organizational Climate: *Colcafé* Occupies First Place, Followed by *Molino Santa Marta* and *La Recetta*

November

CINCEL, the Organizational Behavior Research Center *(Centro de Investigación en Comportamiento Organizacional),* with national and international management, announced the results of its study on organizational climate. In the category of companies with more than 100 employees, *Colcafé* occupied first place, followed by *Molino Santa Marta* and *La Recetta* in second and third place, respectively. This selection was made within a total of 57 Latin American organizations in the period between October 2010 and September 2012.

It highlights the technical and scientific nature of these studies and the objectivity and impartiality with which these studies are conducted.

Environmental Management

Gran Líder Progresa, an Environmental Distinction Awarded to *Compañía Nacional de Chocolates Colombia*

February

The Regional Autonomous Corporation of Rionegro–Nare, Cornare–an environmental entity operating in the Department of Antioquia, Colombia, highlighted *Compañía Nacional de Chocolates* for its high performance and environmental management, made at its Rionegro factory, located in this town.

Meals de Colombia Received the 2012 Sustainable Environmental Responsibility Colombia Award

November

The *Siembre Colombia* Foundation and the Bogotá Water and Sewerage Company awarded *Meals de Colombia* and *Cemex* the 2012 Sustainable Environmental Responsibility Colombia (*Responsabilidad Ambiental Colombia Sostenible 2012*) Gold Seal, for the design and implementation of the project "Water: A Resource for Everyone" (*"Agua: Un Recurso para Todos"*). This project was developed by both companies at their plants in Bogotá, which aims to make the wastewater from the *Meals de Colombia* production plant a raw material for *Cemex* to make cement, taking advantage of the fact that both plants are adjacent to one another.

Compañía Nacional de Chocolates and *Colcafé*, Awarded in the *PREAD* District Environmental Excellence Program PREAD

December

PREAD, the District Environmental Excellence Program (*Programa de Excelencia Ambiental Distrital*), led by the Office of the District Environmental Secretary of the Bogotá Mayor's Office, recognized *Compañía Nacional de Chocolates* for the fifth consecutive year in the Elite Level "Generating Sustainable Development" for its management of the Bogotá factory. Similarly, this year *Colcafé* was classified in Level III "Environmental Excellence, Generating Sustainable Development". This important program by the environmental authorities in the Colombian capital recognizes companies that, besides complying current environmental regulations, possess an environmental–management system that reflects continuous improvement, assessed by maintaining and improving environmental–performance indicators.

Business and Marketing Management

PTAK Prize Supply Chain Excellence Awarded *Noel* with Recognition for Training and Supply–Chain Development

January

Noel received recognition for Training and Supply Chain Development, along with companies such as *EXXE Logística Ltda, Tisat Logis* and *Corona,* in which the productive chains and logistics that comply with the highest marketing standards are highlighted, and which are supported by innovative strategies and purposeful direction.

Pastas Monticello Selected as One of the Best in the World by *Monde Selection*

April

Pastas Monticello was awarded eight Bronze medals and two Silver medals by *Monde Selection* 2012, the International Institute of Quality Selections, in Belgium. This recognition positions the brand and its products among the best in the world.

Since 1961, *Monde Selection* has developed unique expertise in testing and analyzing consumer goods around the world to grant recognition to internationally renowned quality. The selection is made by international experts in the world of foods and beverages.

Pozuelo was exalted by the National Chamber of Merchants of Costa Rica

April

The National Chamber of Merchants, Retailers and Related Companies (*la Cámara Nacional de Comerciantes, Detallistas y Afines, CANACODA*) of Costa Rica, recognized *Compañía de Galletas Pozuela* for service quality, variety, access and quality of its products.

ANDI Awards the Cold Cuts Business for the Management of its Distribution Channels

July

Grupo Nutresa's Cold Cuts Business was awarded in the categories of Modern Channel, Collaboration and Profitability by the Chamber of Supplier and Distribution Channels of the National Association of Industrialists of Colombia (ANDI) in the Second Edition of the VENN (Vision and Effectiveness in New Business Management in Consumption Categories) (*Visión y Efectividad en la Nueva Gestión de Negocios en Categorías de Consumo*) Awards.

This recognition highlights and promotes good business and trade marketing practices, carried out in both the modern and traditional channels, to benefit the final consumer. Its purpose is to encourage creativity of suppliers at the point of sale with innovative activities as well as foster category growth and consumer guidance.

The Magazine *La Barra* Awards *La Recetta* as the Most Complete Distributer of the Year

September

La Barra, a specialized publication in the institutional channel, annually awards prizes that carry its name. *La Recetta,* a *Grupo Nutresa* company dedicated to the institutional channel, received the award as Most Complete Distributor, which is awarded to the establishments with the best comprehensive portfolio of products, to satisfy the needs of the clients of this channel. The recognition is defined by the vote of a select group of more than 300 jurors.

The Gold *Pack Andina*

September

Litoempaques received the GOLD *Pack Andina* award, in the Food and Beverage category, for the quality of printing and graphic design of the *Hielera Bavaria* Package, which stood out as a differentiating proposal, for its impact on shelves and the functionality for consumers of its multi–functional packaging.

***Doria Kids,* Winner of the Disney 2012 Most Complete Product Award**

November

Disney Consumer Products recognized *Productos Alimenticios Doria S.A.S.* and the *Doria Kids* brand as the most complete product with a Disney 2012 license. The recognition was given to the Phineas & Ferbs pasta. The figures of these characters were innovatively made in pasta, complementing the Disney narrative, to allow kids to enjoy a fun experience, while providing mothers with an innovative, attractive, healthy solution to feed their children.

The Soda Cracker Campaign, from *Compañía de Galletas Pozuelo,* Received the Bronze Effie Awards

November

The *Pozuelo* Soda Cracker campaign received the Bronze Effie award in the Product category for the campaign: "*Like Ticos*, only *Ticos*, and like Soda Crackers, only *Pozuelo*." With this advertising proposal made by *Agencia Publimark,* the fact that soda crackers are essential in the daily diet of Costa Ricans (*Ticos*) was communicated, allowing Pozuelo to connect emotionally with consumers.

The *Chiky* Brand Was Recognized as the General Top Brand Award

November

The *Chiky* brand of *Pozuelo* Cookies received the Top Brand Award in Costa Rica, the first–place award for the categories of brand recall, market share and future purchase.

The *Chocolyne* Pink Ribbon Campaign, Recognized by the Colombian League Against Cancer

December

Compañía Nacional de Chocolates received recognition from the Colombian League Against Cancer for its Pink Ribbon campaign, which supports the prevention and early detection of breast cancer.

***Jet,* Among the Most Valuable Mass Consumer Brands in Colombia**

December

Compañía Nacional de Chocolate's Jet brand ranked number four in the ranking of most valuable mass–consumer brands in Colombia, according to the study by Compassbranding and Raddar.

ANNIVERSARIES

JET, 50 YEARS OF SWEET MOMENTS

Colombia celebrated the 50th anniversary of one of the country's most iconic products, which hundreds of Colombians enjoyed while growing up, playing and learning dozens of fun facts about the flora and fauna; we even spent entire afternoons exchanging the stickers that became trophies of incalculable value. In 2012, *Jet* turned 50.

In 1962, *Compañía Nacional de Chocolates* began the adventure of producing the first chocolate candy bar in Colombia. Since its inception, *Jet* taught Colombians to know and enjoy the taste of a delicious chocolate, unlike any other made in the world, and have fun finding a collectable sticker inside and become aware of the wonders of nature with albums. Soon, *Jet* became the leading brand of chocolate candy in the country and crossed borders.

Today, *Jet* is exported to more than 30 countries worldwide; its sales account for over 20% of the *Compañía Nacional de Chocolates* exports.

Doria, 60 Years With Colombian Families

Thanks to its leadership, innovation and product quality, *Doria* is the leader in Colombia and its portfolio is recognized for its contribution to consumer nutrition and wellness, which is highlighted by *Doria* with *Nutrivit,* the only pasta in the country with a vitamin supplement that provides essential nutrients.

Doria currently has a cutting–edge plant, with the most modern flourmill in America and Italian technology. Its management is supported by competent, committed staff.

Helados Bon Celebrated Its 40Th Birthday With Consumers

In 2012, *Helados Bon,* one of the brands most loved by Dominicans turned 40, "four decades providing flavor to life."

To celebrate this event with clients and consumers, *BON* launched promotional activations in its points of sale and generated a new advertising and promotional campaign: *Helados BON,* with all of the Dominican flavor!

Consolidated Financial Statements

ESTADOS FINANCIEROS

FISCAL AUDITOR'S REPORT

Grupo Nutresa S.A.
ASSEMBLY OF SHAREHOLDERS.
February 22, 2013

I have audited the Consolidated Balance Sheets of *Grupo Nutresa S.A.* and its subsidiary companies as of December 31, 2012 and 2011, and the corresponding consolidated statements of Profits and Losses, Changes in Shareholders' Equity, Changes in the Financial Situation, and Cash Flows for the years ended on those dates, and the summary of the principal accounting policies indicated in Note 2 and other explanatory notes.

Management is responsible for the proper preparation and presentation of these financial statements pursuant to the accounting principles generally accepted in Colombia and provisions issued by the Colombian Financial Superintendent. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatements due to fraud or error; selecting and applying appropriate accounting policies, as well as establishing the accounting estimates that are reasonable in the circumstances.

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

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

In my opinion, the above–mentioned consolidated financial statements that I have audited, which were faithfully taken from the consolidation ledgers, reasonably present, in all significant aspects, the financial situation of Grupo Nutresa S.A. as of December 31, 2012 and 2011, and its operating results, the changes in its financial situation and its cash flows for the years ended on these dates, pursuant to accounting principles generally accepted in Colombia and the provisions of the Colombian Financial Superintendent, which were applied in a uniform manner.

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

CERTIFICATION OF THE FINANCIAL STATEMENTS

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

HEREBY CERTIFY:

February 22, 2013

That we have previously verified the statements contained in the Consolidated Financial Statements, as of December 31, 2012 and 2011, pursuant to regulations, and they have been faithfully taken from the financial statements of the Parent Company and its duly certified and audited subsidiary companies.

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

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

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

3. The assets represent the rights obtained by the companies; the liabilities represent the obligations that are the responsibilities of the companies.

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

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

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

Carlos Enrique Piedrahíta Arocha
CEO

Jaime Alberto Zuluaga Yepes
General Accountant
Professional Card 24769-T

CERTIFICATION OF THE FINANCIAL STATEMENTS LAW 964 OF 2005

Grupo Nutresa S.A. Shareholders

Medellín

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

CERTIFIES:

February 22, 2013

That the consolidated financial statements and operations of the Parent Company and its subsidiary companies as of December 31, 2012 and 2011, do not contain defects, inaccuracies or errors that prevent knowing their true financial situation.

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

As evidence, this is signed on the 22nd day of the month of February, 2013.

Carlos Enrique Piedrahíta Arocha
CEO

CONSOLIDATED BALANCE SHEET

As of December 31
(Values expressed in COP Million)

	NOTES	2012	2011
ASSETS			
Current assets			
Cash and cash equivalents	(6)	$ 291.812	$ 193.087
Net debtor accounts	(7)	657.872	629.188
Net inventory	(8)	555.796	601.866
Deferred assets and other assets	(9)	32.215	34.453
Total current assets		**$ 1.537.695**	**$ 1.458.594**
Non - current assets			
Net permanent investments	(10)	330.090	329.071
Debtor accounts	(7)	23.988	21.443
Net property, plant and equipment	(11)	1.135.785	1.009.855
Net intangible assets	(12)	1.025.441	900.384
Deferred assets and other assets	(9)	32.150	114.271
Valuations	(22)	4.866.415	4.097.551
Total non - current assets		**$ 7.413.869**	**$ 6.472.575**
TOTAL ASSETS		**$ 8.951.564**	**$ 7.931.169**
LIABILITIES			
Current liabilities			
Financial obligations	(14)	$ 96.662	$ 54.652
Suppliers	(15)	170.648	163.168
Accounts payable	(16)	259.456	217.086
Taxes, levies and rates	(17)	119.215	95.488
Labor obligations	(18)	102.371	89.949
Estimated liabilities and allowance	(19)	5.559	12.708
Deferred charges and other liabilities	(20)	3.761	5.031
TOTAL CURRENT LIABILITIES		**$ 757.672**	**$ 638.082**
Non - current liabilities			
Financial obligations	(14)	593.692	624.946
Accounts payable	(16)	166	158
Taxes, levies and rates	(17)	18.988	37.334
Labor obligations	(18)	7.598	6.480
Estimated liabilities and allowances	(19)	22.729	20.900
Deferred charges and other liabilities	(20)	125.467	112.430
Total non - current liabilities		768.640	802.248
TOTAL LIABILITIES		**$ 1.526.312**	**$ 1.440.330**
MINORITY STAKE		**$ 16.294**	**$ 16.209**
EQUITY			
Company stock		2.301	2.301
Capital surplus		546.831	546.831
Reserve	(21)	1.029.856	942.473
Revaluation of assets	(21)	795.117	735.002
Financial statement conversion effect	(5)	(162.791)	(101.048)
Fiscal period results		345.507	253.511
Valuation surplus	(22)	4.852.137	4.095.560
Total equity		**$ 7.408.958**	**$ 6.474.630**
TOTAL LIABILITIES + EQUITY + MINORITY STAKE		**$ 8.951.564**	**$ 7.931.169**
Memorandum accounts			
Debtor memorandum accounts	(13)	$ (4.164.272)	$ (3.298.126)
Credit memorandum accounts	(13)	1.707.293	1.889.094

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

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

Carlos Enrique Piedrahíta Arocha
CEO
(See attached certification)

Juber Ernesto Carrión
Fiscal Auditor
Professional Card No. 86122-T
Member of PricewaterhouseCoopers Ltda
(See attached report)

CONSOLIDATED PROFIT AND LOSS STATEMENT

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

	NOTES	2012	2011
Operating income	(23)	$ 5.305.782	$ 5.057.383
Sales cost		(3.064.460)	(3.030.202)
Gross profit		**2.241.322**	2.027.181
Operating expenses for:			
Administration	(24)	(270.303)	(250.061)
Sales	(25)	(1.326.976)	(1.221.302)
Production	(26)	(122.931)	(123.323)
Operating profit		**521.112**	**432.495**
Net other income (other outlays)			
Income from dividends and financial income	(27)	96.140	105.789
Financial expenses	(28)	(117.209)	(152.968)
Net other income and outlays	(29)	(13.923)	(15.748)
Total non - operating other income (outlays)		**(34.992)**	**(62.927)**
Profit before allowance for income Tax and minority stake		**486.120**	**369.568**
Allowance for income tax:	(17)		
Current		(105.932)	**(76.893)**
Deferred		(32.525)	**(37.026)**
Profit before minority stake		**347.663**	**255.649**
Minority stake		**(2.156)**	**(2.138)**
Net profit		**$ 345.507**	**$ 253.511**
Net profit per share (in COP)		**750,90**	**550,96**

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

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

Carlos Enrique Piedrahíta Arocha
CEO
(See attached certification)

Juber Ernesto Carrión
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Member of PricewaterhouseCoopers Ltda
(See attached report)

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

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

	Capital	Stock - Placing Bonus	RESERVES Mandatory Reserves	 Occasional Reserves	 Total Reserves	Revaluation of Equity	Effect for Conversion of Financial Statements (5)	Profit of the Fiscal Period	Surplus for Valuations	Total Equity
Balances as of December 31, 2010	**2.176**	**24.457**	**187.421**	**649.379**	**836.800**	**765.036**	**(117.715)**	**263.239**	**4.549.653**	**6.323.646**
Stock issue	125	522.374			0					522.499
Dividends decreed					0			(154.582)		(154.582)
Transfer to profits and reserves			14.493	94.164	108.657			(108.657)		0
Appropriation of equity tax					0	(18.549)				(18.549)
Adjustment for valuation and other concepts				(2.984)	(2.984)	(11.485)			(457.737)	(472.206)
Minority stake					0				3.644	3.644
Adjustments for conversion of financial statements							16.667			16.667
Net profit in 2011					0			253.511		253.511
Balances as of December 31, 2011	**2.301**	**546.831**	**201.914**	**740.559**	**942.473**	**735.002**	**(101.048)**	**253.511**	**4.095.560**	**6.474.630**
Dividends decreed					0			(166.128)		(166.128)
Transfer to profits and reserves			4.120	83.263	87.383			(87.383)		0
Appropriation of equity tax					0	(33.688)				(33.688)
Adjustment for valuation and other concepts				0	0	93.803			744.290	838.093
Minority stake					0				12.287	12.287
Adjustments for conversion of financial statements							(61.743)			(61.743)
Net profit in 2012					0			345.507		345.507
Balances as of December 31, 2012	**2.301**	**546.831**	**206.034**	**823.822**	**1.029.856**	**795.117**	**(162.791)**	**345.507**	**4.852.137**	**7.408.958**

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

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

Carlos Enrique Piedrahíta Arocha
CEO
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Juber Ernesto Carrión
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CONSOLIDATED STATEMENT OF CHANGES IN THE FINANCIAL SITUATION

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

FINANCIAL RECOURSES PROVIDED FROM:	NOTES	2012	2011
NET PROFIT		**$ 345.507**	**$ 253.511**
Plus (minus) debits (credits) to operations that do not affect the working capital:			
Depreciations	(30)	99.098	95.192
Amortization of intangible assets, deferred assets and other assets	(31)	61.223	40.444
Amortization of retirement pensions		67	346
Provision for property, plant and equipment, intangible assets and other assets		168	236
Net profit in sales, withdrawal of investments and plant and equipment	(35)	(36.755)	(19.021)
Minority stake		2.156	2.138
Effect of conversion and other equity variations		(25.107)	(17.439)
FINANCIAL RESOURCES PROVIDED FROM OPERATIONS		**446.357**	**355.407**
Plus:			
Issue and stock - placing bonus	(34)	0	522.500
Income obtained from disposal of property, plant and equipment	(35)	48.584	16.414
Income obtained in the disposal of permanent investments		0	12.817
Decrease in deferred assets and other long - term assets		66.324	0
increase in taxes, levies and rates		0	37.334
Increase in long - term labor obligations		1.128	0
Increase in estimated liabilities and allowances		1.073	443
Increase in deferred liabilities and other liabilities		14.601	53.440
Increase in minority stake		85	4.941
FINANCIAL RESOURCES PROVIDED BY SOURCES OTHER THAN OPERATIONS		**131.795**	**647.889**
TOTAL FINANCIAL RESOURCES PROVIDED		**$ 578.152**	**$ 1.003.296**
FINANCIAL RESOURCES USED IN:			
Declared dividends	(33)	166.128	154.582
Acquisition of permanent investments		740	725
Goodwill acquired		187.195	71.114
Acquisition of intangible assets and deferred assets		10.023	25.695
Acquisition of property, plant and equipment and other assets	(32)	180.725	128.228
Decrease in long - term financial obligations		32.361	241.740
Decrease in long - term labor obligations		0	3.283
Decrease in long - term accounts payable		0	4
Decrease in taxes, levies and rates		18.346	0
Increase in long - term debtor accounts		1.369	3.421
Increase in long - term deferred assets and other assets - transfers		1.498	52.477
Appropriation for equity tax		33.688	18.549
TOTAL FINANCIAL RESOURCES USED		**$ 632.073**	**$ 699.818**
Working capital received through acquisition of new companies		**13.432**	**4.272**
(DECREASE) INCREASE IN WORKING CAPITAL		**$ (40.489)**	**$ 307.750**

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

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CONSOLIDATED ANALYSIS OF THE CHANGES IN WORKING CAPITAL (CONTINUED)

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

FINANCIAL RESOURCES WERE PROVIDED BY:	2012	2011
INCREASE (DECREASE) IN CURRENT ASSETS		
Cash and cash equivalents	$ 98.725	$ 59.698
Debtor accounts	28.684	60.954
Inventories	(46.070)	48.850
Deferred assets and other assets	(2.238)	(17.734)
TOTAL INCREASE IN CURRENT ASSETS	**$ 79.101**	**$ 151.768**
(INCREASE) DECREASE IN CURRENT LIABILITIES		
Financial obligations	(42.010)	204.987
Suppliers	(7.480)	1.987
Accounts payable	(42.370)	(8.210)
Taxes, levies and rates	(23.727)	(27.241)
Labor obligations	(12.422)	(11.325)
Estimated liabilities and allowances	7.149	(1.168)
Deferred liabilities and other liabilities	1.270	(3.048)
TOTAL (INCREASE) DECREASE IN CURRENT LIABILITIES	$ (119.590)	$ 155.982
(DECREASE) INCREASE IN WORKING CAPITAL	**$ (40.489)**	**$ 307.750**

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

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CONSOLIDATED CASH - FLOW STATEMENT

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

CASH FLOW PROVIDED FROM OPERATIONS:	NOTES	2012	2011
NET PROFIT		**$ 345.507**	**$ 253.511**
Plus (minus) debits (credits) due to operations that do not affect cash:			
Depreciations	(30)	99.098	95.192
Amortization of intangible assets, deferred assets and other assets	(31)	61.223	40.444
Amortization of retirement pensions		67	346
Allowance of property, plant and equipment and intangible assets		168	236
Net profit in sales and withdrawal of investments and property, plant and equipment	(35)	(36.755)	(19.021)
Allowance (recovery) and/or sanctions of net debtor accounts		2.711	(2.630)
(Recovery) allowance of inventories		(3.451)	3.230
Minority stake		2.156	2.138
Effect of conversion and other equity variations		(34.579)	(17.572)
Payment of equity tax		(19.149)	(18.828)
Changes in operating assets and liabilities:			
Debtor accounts		(32.764)	(61.745)
Inventories		49.522	(52.080)
Deferred assets and other assets		67.170	17.734
Suppliers and accounts payable		47.596	1.931
Taxes, levies and rates		5.381	12.377
Labor obligations		13.549	8.042
Estimated liabilities and allowances		(6.077)	1.611
Deferred liabilities and other liabilities		13.331	56.488
Working capital received through acquisition of new companies		1.585	3.608
NET CASH PROVIDED BY OPERATIONS		**$ 576.289**	**$ 325.012**
CASH FLOW PROVIDED FROM INVESTMENT ACTIVITIES:			
Acquisition of permanent investments		(740)	(725)
Goodwill acquired		(187.195)	(71.114)
Acquisition of property, plant and equipment and other assets	(32)	(180.725)	(128.228)
Acquisition of intangible assets and deferred assets		(10.023)	(25.695)
Income obtained from disposal of property, plant and equipment	(35)	48.584	16.414
Income obtained from disposal of permanent investments		0	12.817
NET CASH USED IN INVESTMENT ACTIVITIES		**$ (330.099)**	**$ (196.531)**
CASH FLOW FROM FINANCING ACTIVITIES:			
Cash received for issue and stock - placement bonus	(34)	0	522.500
Dividends paid	(33)	(163.873)	(150.292)
Increase (decrease) in financial obligations		10.756	(446.728)
Increase in minority stake		85	4.941
NET CASH USED IN FINANCING ACTIVITIES		**$ (153.032)**	**$ (69.579)**
Net increase in cash and cash equivalents		93.158	58.902
Effect of changes in the type of exchange rate on cash and cash equivalents		(6.280)	132
Cash and cash equivalents received in acquisitions		11.847	664
Cash and cash equivalents at year opening		193.087	133.389
CASH AND CASH EQUIVALENTS AT YEAR CLOSING		**$ 291.812**	**$ 193.087**

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Years ended as of December 31, 2012 and 2011 (Values expressed in COP Millions, except for values in USD, the exchange rate and the number of shares).

NOTE 1
Bases of consolidation

1.1 ENTITY AND BUSINESS PURPOSE OF THE PARENT COMPANY AND THE SUBSIDIARY COMPANIES

GRUPO NUTRESA S.A.
PARENT COMPANY

Grupo Nutresa S.A. is a Colombian stock company (*Sociedad Anónima*), incorporated on April 12, 1920. The Company's term will expire on April 12, 2050; its main domicile is in Medellín, the Provincial Department of Antioquia, Colombia.

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

Next, the name, nationality, date of incorporation, term, main domicile and business purpose of the subsidiary companies are presented:

Alimentos Cárnicos S.A.S.

This Colombian company was incorporated on August 20, 1968, as a stock company and unanimously transformed by the Assembly of Shareholders into a Simplified Joint Stock Company on March 17, 2009. It has an indefinite term and its main domicile is in Yumbo, the Provincial Department of Valle del Cauca, Colombia.

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

Alimentos Cárnicos Zona Franca Santafé S.A.S.

This Colombian company was incorporated on October 10, 2008, as a stock company and unanimously transformed by the Assembly of Shareholders into a Simplified Joint Stock Company on March 16, 2009. It has an indefinite term and its main domicile is in Cota, the Provincial Department of Cundinamarca, Colombia.

The company is an industrial user of free–trade zone goods and services; its business purpose is, principally, to develop the following activities in the free–trade zone: the processing, manufacture, purchase and sale of food products and the sale of by–products and waste derived from the manufacturing processes; to provide manufacturing services of food products to third parties; to provide management services to purchase supplies and raw materials used in the food manufacturing industry; to provide services to reprocess, repack, assemble, label, pack, assemble for third parties, classify, control quality, inspect, reclassify, clean, freeze and thaw the mentioned articles. It may also execute coordination and logistics control services of food product inventories and raw materials for third parties, classify food products and raw materials, load, unload and pick the products and raw materials indicated. It may contract third–party transportation services for itself and for others, as well as provide invoicing and food–product dispatch services, and conduct any other legal economic activity.

Alimentos Cárnicos de Panamá S.A. (Formerly Blue Ribbon Products S.A.)

This Panamanian company was incorporated on January 19, 1970 and it has a perpetual term. Its main domicile is in Panama City, the Republic of Panama.

Its business purpose is the extensive exercise of manufacturing, commercial or financial activities, as well as purchasing, or in other ways, acquiring, holding, selling, disposing of products, objects, merchandise and materials of any kind and description, whether known now or that are described or devised hereafter, on a commission basis or in other manners.

On June 30, 2011, the minutes of an extraordinary meeting of the shareholders was formalized, in which the reform of the Company name to that of *Alimentos Cárnicos de Panamá S.A.* was approved; also approved was the merger agreement through which *Alimentos Cárnicos de Panamá S.A.* (formerly *Blue Ribbon Products S.A.*) absorbed Ernesto Berard S.A. Pursuant to Panamanian laws, this merger was finalized on October 3, 2011.

American Franchising Corp.

This Panamanian company, with its main domicile in Panama City, was incorporated on October 17, 1974; it has a perpetual term.

Its business purpose includes establishing, managing and conducting financing, investing and brokerage business in general, and organizing, conducting or undertaking any business.

American Franchising Corp. develops its activity through 15 subsidiary companies, which are described next:

Industrias Lácteas de Costa Rica S.A.

This company was incorporated on March 10, 1982, with a term of 99 years. Its main domicile is in San José, Costa Rica.

Its business purpose includes the development of industry, livestock and agriculture in general, and especially the elaboration and commercialization of all kinds of dairy products.

Compañía Americana de Helados S.A. (American Ice Cream Company, Incorporated)

This company was incorporated on February 22, 1968; its term ends in 2018 and its main domicile is in San José, Costa Rica.

Its business purpose includes the development of industry and business in general, and especially the production and sale of ice cream and similar products.

Fransouno S.A.

This business was incorporated on January 6, 2000. Its term ends on January 6, 2099 and its main domicile is in San José, Costa Rica.

Its overall business purpose is trade, industry and agriculture.

Helados H D S.A.

This company was incorporated on May 25, 2000, with a term of 99 years. Its main domicile is in San José, Costa Rica, and its overall business purpose includes dedicating itself to trade, industry and agriculture.

Americana de Alimentos Ameral S.A.

This Costa Rican company was incorporated on April 10, 1996; its term ends on April 10, 2095.

Its main domicile is in San José, Costa Rica, and its business purpose includes trade and industry, the representation of products and foreign firms.

Inmobiliaria Nevada S.A.

This company was incorporated on October 6, 1994, with a term of 99 years. Its main domicile is in San José, Costa Rica.

Its business purpose includes the extensive exercise of trade, industry, representation of products and foreign firms, in any branch, as well as livestock and agriculture in general.

Heladera Guatemalteca S.A.

This company was incorporated on April 6, 1972, for a period of 99 years.

Its business purpose includes the manufacture of creamy and non–creamy ice cream, through its brand *POPS*.

Distribuidora POPS S.A.

This company was incorporated on September 18, 1973, for a period of 99 years.

Its main business purpose includes the distribution of creamy and non–creamy ice cream, primarily through the brand *POPS*.

Nevada Guatemalteca S.A.

This company was incorporated on December 16, 2003; it has an indefinite term and its main domicile is in the Department of Guatemala, Guatemala.

Its business purpose includes the sale and purchase and lease of real estate, making all kinds of civil and commercial operations that are directly related to, derived from or the result of the previous activities.

Guate-Pops S.A.

This company was incorporated on March 22, 1979.

Its business purpose includes providing personnel services.

Industrias Lácteas Nicaragua S.A.

This company was incorporated on October 21, 1994; its term ends in 2093 and its main domicile is in Managua, the Department of Managua, the Republic of Nicaragua.

Its business purpose includes the import and sale of dairy–food products and their derivatives.

Americana de Alimentos S.A. de C.V.

This company was incorporated on January 25, 2006. It has an indefinite term and its main domicile is in San Salvador, El Salvador.

Its business purpose is the development of any type of legal activity, and especially the exercise of trade through the sale and purchase, distribution, export or import of all kinds of goods.

POPS One LLC

This company was incorporated on July 29, 2010; its main domicile is in Miami, Florida U. S. A.

Its business purpose is the operation of ice cream parlors.

POPS Two LLC

This company was incorporated on June 1, 2011; its main domicile is in Miami, Florida U. S. A

Its business purpose is the operation of ice cream parlors.

Costa Rica's Creamery, LLC.

This company was incorporated on November 6, 2009; its main domicile is in Miami, Florida U. S. A.

Its business purpose is the operation of ice cream parlors.

Compañía de Galletas Noel S.A.S.

This Colombian company was incorporated on August 13, 1998, as a stock company and unanimously transformed by the Assembly of Shareholders into a Simplified Joint

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

Its business purpose is to exploit food industry activities in general and, in particular, the production or manufacture of those foods for human consumption and the substances used as ingredients in food, such as prepared cereals, flours, starches, tea, coffee, sago, chocolate, sugar, salt, honey, bakery products, cookie and cracker products and pastry products. It may also distribute, sell and trade in general the products mentioned in the previous sentence produced by the company or other manufacturers, and the raw materials, materials or supplies used in the food production industry, as well as distribute, sell and trade in general products for popular consumption susceptible to being distributed through the same channels. It may also invest in or apply resources or have holdings under any associative forms authorized by law and conduct any other legal economic activity.

Compañía de Galletas Pozuelo DCR, S.A.

This Costa Rican company was incorporated on October 18, 2004; its term is until October 18, 2103. Its main domicile is in San José, Costa Rica.

Its business purpose includes the extensive exercise of industry, agriculture, trade, livestock, construction and tourism in general; it is especially dedicated to the exploitation of the biscuit industry.

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

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

Its business purpose includes the overall establishment, management and implementation of investment, brokerage, guarantee and consulting businesses and, in general, conducting any other legal trade, business or activity.

Comercial Pozuelo Panamá S.A.

This Panamanian company was incorporated on May 17, 2002; it has a perpetual term. Its main domicile is in Panama City, the Republic of Panama.

Its business purpose includes the manufacture and distribution of mass consumer foods, such as biscuits, baked goods, canned goods and others; establish, arrange and conduct business in an investment company anywhere in the world; purchase, sell and trade all kinds of food products, capital stock, all kinds of stocks and securities; engage in any type of legal business that is not forbidden to a corporation.

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

Compañía Nacional de Chocolates S.A.S.

This Colombian company was incorporated on October 8, 2002, as a stock company and unanimously transformed by the Assembly of Shareholders into a Simplified Joint Stock Company on March 18, 2009. It has an indefinite term and its main domicile in in Medellín, the Provincial Department of Antioquia, Colombia.

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

Compañía Nacional de Chocolates DCR, S.A.

This Costa Rican company was incorporated on June 29, 2004; its term is until June 29, 2103. Its main domicile is in San José, Costa Rica

Its business purpose includes the extensive exercise of industry, agriculture, trade, livestock, construction and tourism in general. It is especially dedicated to the exploitation of the industry of chocolate and its derivatives.

Compañía Nacional de Chocolates de Perú S.A.

This Peruvian company was incorporated on November 13, 2006; it has an indefinite term. Its main domicile is in Lima, Peru.

The business purpose of the company is the industrial and agricultural activity to manufacture and market all kinds of beverages and foods, as well as all kinds of farm exploitation. It may also engage in selling, marketing, distribution, export and import activities for goods in general. It is especially dedicated to the industry of biscuits, chocolates and other sweets.

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

Cordialsa Boricua Empaque, Inc.

This Puerto Rican company was incorporated on January 1, 2004, for an indefinite term. Its main domicile is in San Juan, Puerto Rico.

Its business purpose includes the marketing of food products.

Comercial Nutresa S.A.S.

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

Its business purpose is to conduct any legal activity.

Cordialsa Costa Rica S.A.

This Costa Rican company was incorporated on June 29, 2004; its term is valid until June 29, 2103. Its main domicile is in San José, Costa Rica.

Its business purpose is the extensive exercise of industry, agriculture, trade, livestock, construction and tourism in general; it is especially dedicated to the marketing of food products.

Cordialsa Honduras S.A.

This Honduran company was incorporated on November 29, 2004; it has an indefinite term. Its main domicile is in Tegucigalpa, Honduras.

Its business purpose includes the distribution and marketing of food products and any other industrial, commercial or service activity related to such distribution and marketing.

Cordialsa de México S.A. de C. V.

This Mexican company was incorporated on July 15, 2002; it is valid until July 15, 2102. Its main domicile is in Mexico City, Distrito Federal, Mexico.

This company was liquidated in December 2011. Its business purpose was the import, export, representation, marketing, distribution, manufacture, assembly, purchase and sale of all kinds of food products for humans.

Comercial Pozuelo El Salvador S.A. de C. V.

This Salvadorian company was incorporated in November 25, 2004; it has an indefinite term. Its main domicile is in San Salvador, El Salvador.

Its business purpose includes the distribution and marketing of food products.

On November 15, 2011, the public deed through which the corporate name of the company was amended from *Cordialsa El Salvador, S.A.* de *C. V.* to *Comercial Pozuelo El Salvador, S.A.* de *C. V.* was registered in the El Salvador National Registration Center.

Comercial Pozuelo Nicaragua S.A.

This Nicaraguan company was incorporated on November 18, 1992; it is valid until November 18, 2091. Its main domicile is in Managua, the Republic of Nicaragua.

Its business purpose includes the distribution and marketing of biscuits and, in general, the purchase and sale, export, import, packaging, industrialization and marketing of all kinds of food products; the export and import of all kinds of goods and any legal tradable goods; and enter into all kinds of contracts and contract obligations, execute any legal act or contract that is not prohibited.

The business name of this company changed from *Distribuidora Tropical Nicaragua S.A.* to *Comercial Pozuelo Nicaragua S.A.* on October 20, 2011, the date on which Sentence Number 41, which approved the reforms to the corporate name and company Statutes, was inscribed in the Nicaragua Mercantile Department.

Cordialsa Nicaragua S.A.

This Nicaraguan company was incorporated on November 11, 2004; it is valid until November 11, 2103. Its main domicile is in Managua, Nicaragua.

Its business purpose includes the marketing of food products.

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

Cordialsa USA, Inc.

This United States company was incorporated on March 22, 2004; it has an indefinite term and its main domicile is in the State of Texas, the United States of America.

Its business purpose includes the exploitation of any legal activity other than banking and trust activities or the practice of a profession that may be incorporated by the Corporation Code of Texas. In particular, it is dedicated to the marketing of food products.

Cordialsa Noel de Venezuela S.A.

This Venezuelan company was incorporated on November 15, 1994; it is valid until November 15, 2094. Its main domicile is in Caracas, Venezuela.

Its business purpose includes the exploitation of the food industry in general, including manufacture, sale, distribution, import and export. Likewise, it may participate in investments or the application of resources or have holdings under any associative form authorized by law.

Corporación Distribuidora de Alimentos S.A., Cordialsa

This Ecuadorian company was incorporated on February 3, 1995; it is valid until 2045. Its main domicile is in Quito, Ecuador.

Its business purpose includes the exploitation, distribution and marketing of the food industry in general.

Distribuidora Bon, S.A.

This affiliate of *Helados Bon S.A.* was incorporated on April 1, 1993; it is domiciled in Santo Domingo, the Dominican Republic.

Its business purpose includes the distribution of the *BON* brand products of any kind, composition and/or condition throughout the country and abroad. It may install, acquire, enable, maintain and lease all kinds of equipment within greater efficiency and technical capacity necessary and useful for these purposes.

On December 31, 2012, this company was dissolved without being liquidated and was absorbed by *Helados Bon S.A.*

Comercial Pozuelo Guatemala S.A.

This Guatemalan company was incorporated on November 18, 2004; it has an indefinite term. Its main domicile is in the Department of Guatemala, Guatemala.

Its business purpose includes the distribution and marketing of food products and any other industrial, commercial or service activity related to this distribution and marketing.

On December 7, 2011, the statutory reform through which the company changed its name from *Distribuidora Cordialsa Guatemala S.A.* to *Comercial Pozuelo Guatemala S.A.* was inscribed in the Guatemala Mercantile Register.

Ernesto Berard S.A.

This Panamanian company was incorporated on February 21, 1978; it has a perpetual term. Its main domicile is in Chiriquí, the Republic of Panama.

Its business purpose includes the manufacture of sausages, chorizos, canned beef, pork, poultry and the processing of meat products in general and other associated activities.

On June 30, 2011, the minutes of the extraordinary meeting of the Shareholders was formalized, in which the merger agreement, through which *Alimentos Cárnicos de Panamá S.A.* (formerly *Blue Ribbon Products S.A.*) absorbed *Ernesto Berard S.A.* Pursuant to Panamanian law, this merger was finalized on October 3, 2011.

Fehr Foods, Inc.

This United States company was incorporated on February 13, 1992; it has a perpetual term. Its main domicile is in Abilene, Texas, the United States of America.

Its business purpose includes carrying out any legal activity under the laws of Texas and especially in the production and marketing of bakery products.

On June 29, 2011, documents, through which the merger by absorption was approved in which Fehr Foods, Inc. absorbed Fehr Holdings, LLC; Oktex Baking, GP, LLC; and Oktex Baking, LP, were registered before the Office of the Secretary of State of the State of Texas.

The absorbed companies had the following characteristics:

Fehr Holdings, LLC

This United States company was incorporated on March 1, 2009; it has a perpetual term. Its main domicile is in Abilene, Texas, the United States of America.

The business purpose of this company includes carrying out any lawful activity, especially in investment in other companies.

Oktex Baking, GP, LLC

This United States company was incorporated on October 12, 2004, pursuant to the laws of the State of Nevada; it has a perpetual term. Its main domicile is in Abilene, Texas, the United States of America.

Its business purpose includes the acquisition of shares or quotas and acting as a general partner of Oktex Baking, LP, and carrying out all the legal activities necessary to comply with this purpose.

Oktex Baking, LP

This United States company was incorporated on October 12, 2004, pursuant to the laws of the State of Oklahoma. Its term is until December 31, 2052, and its main domicile in in Oklahoma City, Oklahoma, the United States of America.

Its business purpose includes the production and marketing of bakery products.

Gestión Cargo Zona Franca S.A.S.

This Colombian company was incorporated on October 10, 2008, as a stock company and unanimously transformed by the Assembly of Shareholders into a Simplified Joint Stock Company on March 16, 2009. It has an indefinite term and its main domicile is in Cartagena, the Provincial Department of Bolívar, Colombia.

The company is an industrial user of free–trade zone goods and services; its business purpose is, principally, to develop the following activities in the free–trade zone: provide management services to purchase, import and export food products and raw materials used in the food industry in general, for third parties. Likewise, it may reprocess, repack, assemble, label, pack, assemble for third parties, classify, control quality, inspect, reclassify, clean, freeze and thaw the mentioned articles. It may also provide coordination and logistics control services of imported products and raw materials for third parties, classify food and raw material products, control inventories and customs processes, along with loading, unloading and picking the products and raw materials indicated. It may do laboratory tests and analyses on food products and raw materials for food, as well as interpret their results.

Helados Bon S.A.

This Dominican Republic company was incorporated on August 26, 1974; it has an indefinite term. Its main domicile is in Santo Domingo Oeste, the Dominican Republic.

Its business purpose includes the manufacture, packaging, distribution, sale and franchise of ice cream and products of this kind, throughout the country and abroad.

Industrias Aliadas S.A.S.

This Colombian company was incorporated on September 21, 1988, through Public Deed Number 4349, registered in the Office of the Second Notary Public of Ibagué. Its term is until September 21, 2038, and its main domicile is in Ibagué, the Provincial Department of Tolima, Colombia.

On April 28, 2011, Memorandum Number 29, whereby the company was transformed in a Simplified Joint Stock Company, was registered in the Ibagué Chamber of Commerce.

Its business purpose is to purchase, sell, dry, sort and export coffee. In general, the company conducts all activities related to the coffee industry.

Industrias Alimenticias Hermo de Venezuela S.A.

This Venezuelan company was incorporated on December 12, 1995; its term is until December 12, 2094. Its main domicile is in Caracas, Venezuela.

Its business purpose includes the production, import, export and marketing of food and products in general. Likewise, it may invest resources or have holdings under any associative form authorized by law.

Industria Colombiana de Café S.A.S. (Colcafé)

This Colombian company was incorporated on June 1, 1950, as a stock company and unanimously transformed by the Assembly of Shareholders into a Simplified Joint Stock Company on March 18, 2009. It has an indefinite term and its main domicile is in Medellín, the Provincial Department of Antioquia, Colombia.

Its business purpose is to assemble and exploit coffee industry and food industry activities in general, and those of directly related businesses, as well as conduct any other legal economic activity.

Industria de Alimentos Zenú S.A.S.

This Colombian company was incorporated on August 20, 2002, as a stock company and unanimously transformed by the Assembly of Shareholders into a Simplified Joint Stock Company on March 17, 2009. It has an indefinite term and its main domicile is in Medellín, the Provincial Department of Antioquia, Colombia.

Its business purpose is to conduct food industry activities in general, as well as for those substances used as ingredients in foods and, in particular, meat, including the processing and utilization of by–products from cows, pigs, sheep, fish and other animal species; the slaughter and preparation of large or small livestock and the purchase, sale, transport, distribution, import and export of meat. It may also process meat and prepare sausages, soups, extracts, fats, canned meat, spices, condiments, dairy products, cottage cheese, eggs and food substances for animals; the distribution, sale, import, export and marketing in general of the elements mentioned above in their natural state or industrially prepared by the company or by others. In addition, it may distribute, sell and trade in general products for popular consumption susceptible to being distributed through the same channels. It may also invest in or apply resources or have holdings under any associative forms authorized by law and conduct any other legal economic activity.

Industrias Noel U.S.A Co.

This United States company was incorporated on January 14, 1997, and it has a perpetual term. Its main domicile is in Coral Gables, Florida, the United States of America.

Its business purpose is the conducting of all legal businesses pursuant to the laws of the United States and the State of Florida, especially those related to the food industry, the production of materials for human consumption and all the acts necessary to fulfill these tasks.

Industrias Noel U.S.A Co. was voluntarily dissolved on January 21, 2011.

La Recetta Soluciones Gastronómicas Integradas S.A.S.

This Colombian company was incorporated on April 11, 2008, as a stock company and unanimously transformed by the Assembly of Shareholders into a Simplified Joint Stock Company on March 25, 2010. The company term will expire on December 31, 2050, and its main domicile is in Cota, the Provincial Department of Cundinamarca, Colombia.

Its business purpose is to distribute products of any nature through the institutional channel on its own behalf or for third parties; these products include mass–consumption foods and products, with its own brands or with third–party brands, as well as packaging and packing the products.

Litoempaques S.A.S.

This Colombian company was incorporated on March 16, 1995, as a stock company and unanimously transformed by the Assembly of Shareholders into a Simplified Joint Stock Company on March 18, 2009. It has an indefinite term and its main domicile is in Medellín, the Provincial Department of Antioquia, Colombia.

Its business purpose is to exploit metallurgical and packing industry activities in general and, in particular, to produce or manufacture and/or assemble, and/or market bottles, lids and packaging made of any material and for any use. It may also do lithography work in metal or in any other material for all kinds of industries; to sell, distribute, import, export and trade all of the above elements in general, whether produced by the company or by other manufacturers, as well as the raw materials or supplies used in the metallurgical industry and packing industry. It may also conduct any other legal economic activity.

Meals Mercadeo de Alimentos de Colombia S.A.S.

This Colombian company was incorporated on January 29, 1964, as a stock company and unanimously transformed by the Assembly of Shareholders into a Simplified Joint Stock Company on March 17, 2009. It has an indefinite term and its main domicile is in Bogotá, the Provincial Department of Cundinamarca, Colombia.

Its business purpose is to exploit the food industry in general and, in particular, ice cream, dairy beverages, desserts, yoghurts, juices, refreshments, and fruit–based prepared food; to conduct business activities directly related to this industry. In general, it may distribute, sell and trade the products mentioned above, produced by the company or by other manufacturers, as well as the raw materials, materials or supplies used in the industry to produce food, as well as distribute, sell and trade in general popular products that are susceptible to being distributed through the same channels. It may also invest in or apply resources or have holdings under any of the associative forms authorized by law, and conduct any other legal economic activity.

Molinos Santa Marta S.A.S.

This Colombian company was incorporated on April 18, 1980, as a stock company and unanimously transformed by the Assembly of Shareholders into a Simplified Joint Stock Company on March 18, 2009. It has an indefinite term and its main domicile is in Medellín, the Provincial Department of Antioquia, Colombia.

Its business purpose is to mill grain, as well as develop the businesses and activities that are directly related to the milling industry and conduct any other legal economic activity.

Novaventa S.A.S.

This Colombian company was incorporated on October 3, 2000, as a stock company and unanimously transformed by the Assembly of Shareholders into a Simplified Joint Stock Company on March 17, 2009. It has an indefinite term and its main domicile is in Medellín, the Provincial Department of Antioquia, Colombia.

Its business purpose is to commercialize and distribute food products, raw materials and elements used in the food industries and manage specialized channels to commercialize these products and other articles that are susceptible to being distributed through the same channels. It may also provide maintenance services for equipment used to commercialize the items mentioned above, and conduct any other legal economic activity.

On December 30, 2009, through Public Deed 4.716, registered in the Office of the 20th Notary Public of Medellín, the merger through absorption was formalized between *Novaventa S.A.S.* (the absorbing company), a company that continues to exist legally, and *Dulces de Colombia S.A.S.* (the absorbed company, a company that was dissolved without being liquidated and whose patrimony was merged with that of *Novaventa S.A.S.*

Pastas Comarrico S.A.S.

This Colombian company was incorporated on November 30, 2004, as a stock company and unanimously transformed by the Assembly of Shareholders into a Simplified Joint Stock Company on March 18, 2009. It has an indefinite term and its main domicile is in Medellin, the Provincial Department of Antioquia, Colombia.

Its business purpose is to conduct food industry activities in general and, in particular, to manufacture and/or commercialize flours, pastas, prepared food made from cereals and their derivatives, as well as conduct business activities directly related to this industry, and to conduct any other legal economic activity.

Productos Alimenticios Doria S.A.S.

This Colombian company was incorporated on November 18, 1966, as a stock company and unanimously transformed by the Assembly of Shareholders into a Simplified Joint Stock Company on March 13, 2009. It has an indefinite term and its main domicile is in Mosquera, the Provincial Department of Cundinamarca, Colombia.

Its business purpose is to exploit food industry activities in general and, in particular, flours and prepared foods made from cereals and their derivatives, pastas among others, and conduct businesses directly related to this industry. It may also distribute and, in general, market food products, raw materials and elements used in the food industry, and the manufacture of flours and preparations made from cereals and their derivatives. It may also invest in or apply resources or have holdings under any legal associative form, and conduct any other legal economic activity.

Servicios Nutresa S.A.S.

This Colombian company was incorporated on April 21, 2006, as a stock company and unanimously transformed by the Assembly of Shareholders into a Simplified Joint

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

Its business purpose is to provide in Colombia and/or abroad specialized business services in areas such as risk management and insurance; legal, auditing and control assistance, accounting, taxes, negotiation in purchases, financial planning, human–resource support and development processes, administrative services, informational technology, treasury matters and any other service that can create value for its clients. In addition, it may invest in or apply resources or have holdings under any of the associative forms authorized by law, and conduct any other legal economic activity.

Setas Colombianas S.A.

This Colombian company was incorporated on December 16, 1991. Its term is until December 16, 2041, and its main domicile is in Medellín, the Provincial Department of Antioquia, Colombia.

Its business purpose is to exploit, cultivate, produce, process, distribute and commercialize mushrooms and, in general, food industry products for human consumption and food for animals, and conduct business activities directly related to the food industry. It may also invest in livestock, farming and industrial units or businesses to process, exploit or distribute products for human consumption and food for animals.

Tropical Coffee Company S.A.S.

This Colombian company was incorporated on March 31, 1950, as a stock company and unanimously transformed by the Assembly of Shareholders into a Simplified Joint Stock Company on March 18, 2009. It has an indefinite term and its main domicile is in Medellín, the Provincial Department of Antioquia, Colombia.

Its business purpose is to assemble and exploit coffee industry and food industry activities in general, and to conduct directly related business activities. In addition, it can conduct any other legal economic activity.

Nutresa S.A. de C.V.

This Mexican company was incorporated on May 8, 1981, with a term of 99 years. Its main domicile is in the State of Mexico.

Its business purpose is the manufacture and purchase and sale of all kinds of food and nutritional products, food, nutritional beverages and dietary products. It may also assemble all the products elaborated and semi–elaborated by third parties, using its own machinery or that of others, and all the activities necessary to fulfill the business purpose.

Serer S.A. de C.V.

This Mexican company was incorporated on October 31, 1972, with a term of 99 years. Its main domicile is in the State of Mexico.

Its business purpose is the manufacture and purchase and sale of all kinds of food products, as well as their elaboration by assembly and all the activities necessary to fulfill the business purpose.

NOTE 2
Bases of preparation

For the preparation of the financial statements and the accounting records, the Parent Company and its subsidiary companies observed generally accepted accounting principles, which are prescribed by law and by the respective supervision and control entities in Colombia. Notwithstanding these principles, the group of companies apply accounting practices and policies adopted by the Parent Company, which, in the case of the subsidiary companies located abroad, do not substantially differ from the accounting practices used in the countries oforigin and/or that have been approved for those that generate a significant impact on the consolidated financial statements.

2.1 BASIS OF MEASUREMENT

The consolidated financial statements have been prepared on the historical cost basis, except for the valuation of a fair value of certain financial instruments as described in the policies described further on.

2.2 FUNCTIONAL CURRENCY AND CURRENCY OF PRESENTATION

The consolidated financial statements are presented in Colombian Pesos (COP), the functional currency of *Grupo Nutresa S.A.*

NOTE 3

Acquisitions in 2012

American Franchising Corp.

On October 31, 2012, *Grupo Nutresa S.A.* entered into a binding agreement to acquire 100% of the shares of the Panamanian company American Franchising Corp. (AFC) for the amount of USD 110 Million. The agreement was finalized on December 26, 2012 through the signing of the contract to acquire the shares.

American Franchising Corp. Is a company dedicated to the ice cream business in Central America; it has a dominant position throughout the region, especially in Costa Rica, where it has a market share exceeding 85% in the ice cream channel.

In addition, it was agreed to turn over USD 2.5 Million to establish a trust to ensure the fulfillment of the obligations by the sellers and a further amount of USD 2.458.521 as a price adjustment, as agreed upon in the contract to acquire the shares.

The company began operations in 1968 and currently has two production plants, one in Costa Rica and the other in Guatemala. It has 138 points of sale in Central America and two in the United States. It has developed a strong concept of ice cream parlors and cafes in the countries where it operates, providing high value–added products, marketed under its own brands (*POPS, Café Entrepans* and *FRIZZ*), which are highly recognized throughout the region.

American Franchising Corp. develops its activities through the following 15 subsidiaries:

1. Industrias Lácteas de Costa Rica S.A.
2. Compañía Americana de Helados S.A.
3. Fransouno S.A.
4. Helados H D S.A.
5. Americana de Alimentos Ameral S.A.
6. Inmobiliaria Nevada S.A.
7. Heladera Guatemalteca S.A.
8. Distribuidora POPS S.A.
9. Nevada Guatemalteca S.A.
10. Guate-Pops S.A.
11. Industrias Lácteas Nicaragua S.A.
12. Americana de Alimentos S.A. de C.V.
13. POPS One LLC
14. POPS Two LLC
15. Costa Rica's Creamery, LLC.

We now detail the assets and liabilities assumed on the date of acquisition of the companies:

	American Franchising Corp
Current assets	$ 18.617
Non - current assets	14.437
Total assets	**$ 33.054**
Current liabilities	5.185
Non - current liabilities	1.492
Total liabilities	**$ 6.677**
Equity	**$ 26.377**
Cash received	11.847
Working capital	13.432
Goodwill acquired (1)	179.467

(1) In 2012, 24.201 shares of *Helados Bon S.A.* were acquired, which increased *Grupo Nutresa S.A.'s* participation from 73,11% to 81,18%, which generated goodwill for COP 7.728.

Goodwill represents the value of expected synergies to acquire an ongoing business with an organized trained work force and perspectives for growth in the Central American region.

NOTE 4

Summary of significant accounting policies

4.1 BASES OF CONSOLIDATION

4.1.1 FINANCIAL INFORMATION

The consolidated financial statements include the accounts of the Parent Company and its subsidiary companies. All intra–company balances and significant transactions were eliminated in the consolidation and the unrealized losses have also been eliminated.

The accounting policies and practices are uniformly applied by the Parent Company and its subsidiary companies and/or approvals are made for those companies that generate a significant impact on the consolidated financial statements.

Below is the consolidated participation of the Parent Company in the equity of its subsidiary companies and their financial information. The figures presented were taken from the financial statements of the subsidiary companies as of December 31, certified and audited subject to the current legal regulations:

	2012					2011				
Company	Consolidated Share	Assets	Liabilities	EQUITY	Profit (Loss)	Consolidated Share	Assets	Liabilities	EQUITY	Profit (Loss)
Alimentos Cárnicos S.A.S.	100,00%	737.000	323.888	413.112	75.211	100,00%	622.927	278.411	344.516	66.440
Alimentos Cárnicos Zona Franca Santa Fe S.A.S.	100,00%	66.499	60.406	6.093	0	100,00%	59.810	60.574	(764)	(726)
Alimentos Cárnicos de Panamá (1)	100,00%	105.651	53.660	51.991	(387)	100,00%	75.702	18.164	57.538	(2.412)
Compañía de Galletas Noel S.A.S.	100,00%	1.115.853	284.977	830.876	52.854	100,00%	1.096.938	286.454	810.484	31.999
Compañía de Galletas Pozuelo DCR, S.A. (1)	100,00%	391.274	43.935	347.339	19.413	100,00%	410.628	51.531	359.097	12.511
Comercial Pozuelo Panamá S.A. (1)	100,00%	21.043	13.113	7.930	574	100,00%	16.508	13.269	3.239	(253)
Compañía Nacional de Chocolates de DCR, S.A. (1)	100,00%	29.316	4.508	24.808	2.229	100,00%	29.251	4.504	24.747	3.718
Compañía Nacional de Chocolates de Perú S.A.	100,00%	204.547	16.403	188.144	4.386	100,00%	218.275	27.392	190.883	8.250
Compañía Nacional de Chocolates S.A.S.	100,00%	957.502	245.231	712.271	94.183	100,00%	1.010.636	342.498	668.138	37.566
Cordialsa Boricua Empaque Inc. (1)	100,00%	4.777	481	4.296	(142)	100,00%	5.060	187	4.873	(882)
Cordialsa Costa Rica S.A. (1)	100,00%	474	0	474	9	100,00%	509	0	509	8
Comercial Pozuelo El Salvador S.A. (1)	100,00%	5.125	4.099	1.026	(794)	100,00%	5.419	5.572	(153)	(695)
Cordialsa de México S.A. de C.V. (1)(3)	100,00%	0	0	0	0	100,00%	0	0	0	(58)
Cordialsa Usa Inc. (1)	100,00%	5.501	2.845	2.656	(16)	100,00%	4.689	1.755	2.934	8
Cordialsa Noel de Venezuela S.A. (1)	100,00%	7.895	14.115	(6.220)	3.756	100,00%	45.058	35.673	9.385	2.445
Comercial Pozuelo Nicaragua S.A. (1)	100,00%	5.199	5.257	(58)	(892)	100,00%	5.318	4.397	921	(395)
Gestión Cargo Zona Franca S.A.S.	100,00%	42.304	24.309	17.995	6.188	100,00%	23.496	11.691	11.805	7.014
Grupo Nutresa S.A.	100,00%	7.497.156	75.030	7.422.126	345.484	100,00%	6.545.458	69.218	6.476.240	255.982
Industria Colombiana de Café S.A.S. Colcafé	100,00%	693.515	177.701	515.814	28.288	100,00%	669.540	171.211	498.329	21.095
Industria de Alimentos Zenú S.A.S.	100,00%	498.567	212.006	286.561	869	100,00%	549.124	251.152	297.972	13.851
Industrias Alimenticias Hermo de Venezuela S.A. (1)	100,00%	276.250	52.768	223.482	(5.930)	100,00%	234.695	67.973	166.722	3.165
La Recetta Soluciones Gastronómicas Integradas S.A.	70,00%	32.917	26.938	5.979	202	70,00%	32.938	27.531	5.407	1.634

	2012					2011				
Company	**Consolidated Share**	**Assets**	**Liabilities**	**EQUITY**	**Profit (Loss)**	**Consolidated Share**	**Assets**	**Liabilities**	**EQUITY**	**Profit (Loss)**
Litoempaques S.A.S.	100,00%	23.075	2.081	20.994	244	100,00%	23.869	2.364	21.505	(35)
Meals Mercadeo de Alimentos de Colombia S.A. S.	100,00%	402.682	146.199	256.483	13.208	100,00%	417.502	164.039	253.463	10.972
Molinos Santa Marta S.A.S.	100,00%	98.910	24.705	74.205	15.239	100,00%	99.306	42.666	56.640	5.522
Novaventa S.A.S.	100,00%	127.270	77.041	50.229	2.407	100,00%	99.967	60.343	39.624	1.983
Nutresa S.A. de C.V. (1)	100,00%	62.190	23.961	38.229	6.451	100,00%	58.775	26.293	32.482	9.703
Pastas Comarrico S.A.S.	100,00%	25.619	3.079	22.540	426	100,00%	25.365	4.741	20.624	1.230
Productos Alimenticios Doria S.A.S.	100,00%	164.074	50.626	113.448	10.956	100,00%	156.195	50.136	106.059	4.424
Serer S.A. de C.V. (1)	100,00%	10.019	7.027	2.992	536	100,00%	6.660	4.150	2.510	1.134
Servicios Nutresa S.A.S.	100,00%	376.446	375.631	815	172	100,00%	562.309	561.669	640	330
Setas Colombianas S.A.	94,79%	65.254	4.524	60.730	6.901	94,79%	63.267	4.353	58.914	4.928
Comercial Nutresa S.A.S.	100,00%	214.897	177.499	37.398	506	100,00%	232.443	195.729	36.714	9.543
Industrias Aliadas S.A.S.	83,33%	62.384	2.782	59.602	6.660	83,33%	57.032	5.296	51.736	7.104
Tropical Coffe Company S.A.S.	100,00%	55.695	28.801	26.894	1.123	100,00%	50.141	24.672	25.469	(321)
Corporación Distribuidora de Alimentos (1)	100,00%	18.564	14.779	3.785	920	100,00%	16.182	13.018	3.164	330
Comercial Pozuelo Guatemala (1)	100,00%	12.106	9.715	2.391	(1.586)	100,00%	10.711	10.291	420	(416)
Helados Bon (1)	81,18%	19.774	12.379	7.395	3.330	73,11%	17.995	12.993	5.002	(1.190)
Distribuidora Bon (1)(2)		0	0	0	0	100,00%	8.695	6.569	2.126	(31)
Fehr Foods Inc. (1)	100,00%	59.803	23.854	35.949	3.755	100,00%	55.943	20.789	35.154	4.645
American Franchising Corp.(1)	100,00%	27.100	29	27.071	0	0,00%	0	0	0	0
Americana de Alimentos Ameral S.A. (1)	100,00%	277	193	84	0	0,00%	0	0	0	0
Americana de Alimentos S.A. De C.v. (1)	100,00%	83	7	76	0	0,00%	0	0	0	0
Compañía Americana de Helados S.A. (American Ice C (1)	100,00%	9.951	3.661	6.290	0	0,00%	0	0	0	0

	2012					2011				
Company	Consolidated Share	Assets	Liabilities	EQUITY	Profit (Loss)	Consolidated Share	Assets	Liabilities	EQUITY	Profit (Loss)
Distribuidora Pops S.A.(1)	100,00%	4.360	2.765	1.595	0	0,00%	0	0	0	0
Fransouno S.A. (1)	100,00%	608	226	382	0	0,00%	0	0	0	0
Guate-Pops S.A.(1)	100,00%	1.381	1.130	251	0	0,00%	0	0	0	0
Heladera Guate-malteca S.A.(1)	100,00%	1.687	410	1.277	0	0,00%	0	0	0	0
Helados H D S.A.(1)	100,00%	1.089	221	868	0	0,00%	0	0	0	0
Industrias Lácteas de Costa Rica S.A.(1)	100,00%	10.193	1.599	8.594	0	0,00%	0	0	0	0
Industrias Lácteas Nicaragua S.A.(1)	100,00%	500	175	325	0	0,00%	0	0	0	0
Inmobiliaria Nevada S.A.(1)	100,00%	4.418	356	4.062	0	0,00%	0	0	0	0
Nevada Guatemalteca S.A.(1)	100,00%	1.211	20	1.191	0	0,00%	0	0	0	0
Pops One Llc (1)	98,00%	325	24	301	0	0,00%	0	0	0	0
Pops Two Llc (1)	98,00%	305	3	302	0	0,00%	0	0	0	0

(1) As of December 31, 2012 and 2011, the Parent Company had no direct investment in these companies. However, it has a majority share through the subordinated companies.
(2) On December 31, 2012, *Distribuidora Bon* merged with *Helados Bon S.A.*
(3) In December 2011 this company was liquidated due to the change in the distribution strategy.

4.1.2 CONSOLIDATION METHODOLOGY

The consolidation method used to prepare the consolidated financial statements is the so–called "Global Integration Method."

Using this methodology, all the assets, liabilities, equity and results of the subordinated companies are incorporated into the financial statements of the parent company or controlling company, after the parent company or controlling company has eliminated the investments it has made in the equity of its subordinated companies and the investments that the subordinated companies have made among each other, as well as the reciprocal operations and balances that existed on the cut–off date of the consolidated financial statements.

The procedure stated below was followed to prepare the consolidated financial statements.

a. Determine the Parent Company and the subordinated companies to be consolidated, pursuant to the existing economic tie and current legal provisions.
b. Obtain the financial statements of the Parent Company and of the companies to be consolidated.
c. Verify the uniformity of the accounting bases used by the companies to be consolidated and adjust them in the material aspects to the accounting principles generally accepted in Colombia.
d. Convert the financial statements of the subordinated companies abroad into Colombian Pesos before starting the consolidation process, using some of the guidelines established in NIC 29 as a base. As of 2007, for those companies that belong to countries whose economy is no longer considered hyperinflationary, the figures used are those stated in the current account unit of measure at the close of 2006, as a basis for the book values of the items in their 2007 financial statements before converting them to Colombian Pesos.
e. As of 2010, the monetary conversion adjustment of the subordinated companies abroad is recorded in the Changes in the Shareholder's Equity Statement. Until 2009, it was reflected in the Profit and Loss Statement.
f. Verify that the reciprocal balances match. If there are differences, they are reconciled and adjusted.
g. Prepare a worksheet for the consolidation.
h. Determine the minority stake in the shareholders' equity and the profits and loses of the subordinated companies.
i. Eliminate the intra–company balances and transactions.
j. Prepare the consolidated financial statements with their corresponding notes.

4.1.3 EFFECT OF THE CONSOLIDATION

The effect of the consolidation on the assets, liabilities, profits and equity of *Grupo Nutresa S.A.* (Parent Company) is the following:

Reconciliation of Assets		2012		2011
Parent Company's assets	$	7.497.156	$	6.545.459
Subordinate Companies' assets		7.063.458		7.078.878
Subtotal	**$**	**14.560.614**	**$**	**13.624.337**
Eliminations and reclassifications due to the effect of the consolidation:				
Debtor accounts		(1.109.824)		(1.473.839)
Inventories		(6.494)		(4.427)
Investments (Cost plus valuations)		(4.560.554)		(4.293.157)
Property, plant and equipment (Cost plus valuation)		32.092		28.040
Intangible assets and other assets		35.730		50.215
TOTAL ELIMINATIONS AND RECLASSIFICATIONS		**(5.609.050)**		**(5.693.168)**
TOTAL CONSOLIDATED ASSETS	**$**	**8.951.564**	**$**	**7.931.169**

Reconciliation of Liabilities		2012		2011
Parent Company's liabilities	$	75.031	$	69.219
Subordinate Companies' liabilities		2.562.144		2.870.049
Subtotal		2.637.175		2.939.268
Eliminations and reclassifications due to the effect of the consolidation:				
Commercial checking accounts, supplier accounts and accounts payable		(1.100.658)		(1.485.121)
Deferred liabilities and other liabilities		(10.205)		(13.817)
TOTAL ELIMINATIONS AND RECLASSIFICATIONS		**(1.110.863)**		**(1.498.938)**
TOTAL CONSOLIDATED LIABILITIES	**$**	**1.526.312**	**$**	**1.440.330**

Reconciliation of Profits		2012		2011
Parent Company's profit	**$**	**345.484**	**$**	**255.982**
Subordinates Companies' profit		351.247		264.138
Subtotal	**$**	**696.731**	**$**	**520.120**
Adjustments and eliminations due to the effect of the consolidation:				
Profit from holding method		(351.925)		(258.797)
Minority stake		(2.156)		(2.138)
Loss (profit) before acquisition of companies		0		1.991
Net result generated from operations among the companies and other companies		2.857		(7.665)
TOTAL ELIMINATIONS AND RECLASSIFICATIONS		**(351.224)**		**(266.609)**
TOTAL CONSOLIDATED NET EQUITY	$	**345.507**		**$ 253.511**

Reconciliation of Equity		2012		2011
Parent Company's equity	$	7.422.126	$	6.476.240
Subordinate Companies' equity		4.501.313		4.208.828
Subtotal	**$**	**11.923.439**	**$**	**10.685.068**
Eliminations due to the effect of the consolidation:				
Company stock		(753.404)		(748.848)
Capital surplus		(1.814.353)		(1.772.154)
Reserves		(1.019.938)		(1.080.604)
Equity revaluation		(345.628)		(209.851)
Effect of the conversion of the financial statements		(162.791)		(101.048)
Valuation surplus		(67.144)		(29.333)
Fiscal period profit (1)		(351.223)		(268.600)
TOTAL ELIMINATIONS AND RECLASSIFICATIONS		**(4.514.481)**		**(4.210.438)**
TOTAL CONSOLIDATED EQUITY	**$**	**7.408.958**	**$**	**6.474.630**

(1) Includes profits from the holding method.

4.1.4 TRANSACTIONS OF THE MINORITY STAKE

The Company applies the policy of considering the transactions with the minority stake as transactions with the shareholders of the Company. When carrying out acquisitions of the minority stake, the difference between the price paid and the participation acquired on the carrying value of the net assets in the subsidiary company's books are recognized as equity transactions; therefore, no goodwill is recognized as a product of these acquisitions.

4.1.5 BUSINESS COMBINATIONS

Business combinations are recorded through the acquisition method, which recognizes the consideration transferred by the figures disclosed in the financial statements of the subsidiary company, taken as a basis at the time it was acquired, for incorporation into the consolidated financial statements.

The costs related to the acquisition are recognized in the Profit and Loss Statement when they are incurred. The Company acknowledges any minority stake and acknowledges goodwill when the consideration transferred, including the amount of any minority stake in the entity acquired, exceeds the value of the equity reflected in the financial statements taken as a basis on the date of acquisition.

4.2 SUMMARY OF THE PRINCIPLE ACCOUNTING PRACTICES AND POLICIES

4.2.1 ADJUSTMENT FOR INFLATION

Through Decree 1536, dated May 7, 2007, the National Government of Colombia retroactively eliminated, as of January 1, 2007, the accounting effects of the inflation–adjustment system; these effects were also eliminated for tax effects through Law 1111 of 2006. Inflation adjustments accrued in the non–monetary assets and liabilities until December 31, 2006, will form part of the balance in their respective accounts for all accounting effects until they are cancelled, depreciated or amortized. Likewise, the balance of the equity revaluation account may be reduced through the acknowledgement of the liquidated equity tax and may not be distributed as a profit until the company is liquidated or its value is capitalized pursuant to legal regulations. Once capitalized, it may be used to absorb losses, only when the Company dissolution has been filed and may not be used to reduce the capital with a reimbursement effect of contributions to partners or shareholders.

During 2012, invoking this regulation, management posted equity tax to the equity revaluation account in the amount of COP 33.688 (2011: COP 18.549).

To acknowledge the adjustment for inflation in the financial statements of the companies located in other countries, the guidelines in NIC 29 were followed. This standard establishes the practices to be followed in preparing the accounting information for a hyperinflationary country. In the case of *Grupo Nutresa S.A.*, as of 2009, *Industrias Alimenticias Hermo de Venezuela S.A.* and *Cordialsa Venezuela S.A.,* both located in Venezuela, have been considered as operating in a hyperinflationary economy; therefore, these companies have complied with this regulation.

4.2.2 FOREIGN–EXCHANGE ACCOUNTS

Transactions made in a currency other than the functional currency of the Company are converted using the valid exchange rate on the date of the transaction. The monetary assets and liabilities expressed in foreign currency are converted using the types of exchange at the end of the fiscal year, which is taken from the information published by the official entity in charge of certifying this information. The differences that arise from the conversion of the transactions in foreign currency are recognized in the Profit and Loss Statement. In relation to the balances receivable in other currencies (in terms of the functional currency), the exchange differences are entered in the Profit and Loss Statement as financial income. For accounts payable, only the exchange differences that are not attributable to asset acquisition costs are recorded in the Profit and Loss Statement. The exchange differences occurring while such assets are under construction or installation or until they are ready for use are attributable to asset acquisition costs.

Pursuant to Regulatory Decree 4918, dated December 26, 2007, the exchange difference from variable–income investments in subordinated companies abroad must be restated in the functional currency, using the valid exchange rate certified by the Colombian Financial Superintendent.

The rights and obligations in financial derivatives made for the purpose of hedging assets or liabilities in foreign currency are posted in the Balance–Sheet accounts and are adjusted at the representative market rate with a credit or debit to the Profit and Loss Statement. Option contracts and futures contract bonuses or discounts are debited or credited to the fiscal period Profit and Loss Statement, as the case may be.

4.2.3 CONVERSION OF FOREIGN COMPANIES

The financial statements of the Company's entities are measured using the functional currency where the entity operates. The consolidated financial statements are presented in Colombian Pesos (COP), since this corresponds to the currency of presentation of the Company. The financial situation and the Profit and Loss Statement of the entities whose functional currency is different from the currency of presentation of the Company, and whose economy is not classified as hyperinflationary, are converted as indicated next:

- Assets and liabilities are converted to the exchange rate at the close of the fiscal period.
- Income and expenses are converted to the average exchange rate.
- Exchange differences resulting from the conversion are recognized in the equity in a separate ledger account denominated Conversion of Financial Statements.

4.2.4 CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash and other highly liquid, short–term investments with an original maturity of less than three (3) months or because there is the intention or ability to do so before that period. These items are recorded at their historical cost, which does not differ significantly from their fair value.

4.2.5 DEBTOR ACCOUNTS

Accounts receivable from domestic clients are recorded at historical costs; those abroad are updated with the exchange rate at the close of the fiscal period.

4.2.6 BAD–DEBT ALLOWANCE

The estimate for doubtful accounts or deterioration represents the estimate of the losses that could arise from the failure of clients to make payments on the due date. These estimates are based on the due dates of client balances, in the specific circumstances of the credit and the historical experience of the Company in doubtful accounts. Management reviews and updates this information at the end of each fiscal period, based on the analysis of the age of the balances and assessment of the collectability of the individual accounts. Periodically, amounts that are considered uncollectible or of doubtful collection are posted to the Profit and Loss Statements.

4.2.7 INVENTORIES

Inventories are valued at cost or the net cost of the transaction, whichever is less. Cost is determined using the method of average costs. The net value of the transaction is the estimated sale price of the inventory within the normal course of operations, decreasing the cost and variable sales expenses applicable. The cost of finished goods and work in progress includes the raw materials, direct labor, other direct costs and indirect manufacturing expenses. The inventory cost in the case of wheat feedstock includes any profit or loss derived from the comprehensive result, for the hedges of raw–material procurement. If necessary, at the close of each fiscal period, a provision is made for obsolete and slow–moving inventories.

4.2.8 NEGOTIABLE AND PERMANENT INVESTMENTS

The provisions of the Colombian Financial Superintendent, according to External Circular No. 11 of 1998, requires that all investments held by the Company be classified according to the intention of their implementation by management as tradable investments, if it intends to keep them for less than three (3) years, and permanent investments, if it intends to keep them for more than three (3) years. They are also classified in accordance with the returns they generate in fixed–income investments and variable–income investments. Once classified, the investments are recorded and they appreciate as follows:

Fixed–income investments (debt rights), regardless of their classification as tradable or permanent, are initially recorded at their acquisition cost and are appreciated monthly at their realization value. The resulting adjustment is reflected in the Profit and Loss Statement.

Variable–income investments in shares or capital holdings, in entities that are not controlled by the Company, are recorded at cost and appreciate at their realization value. For permanent investments, the resulting adjustment, whether it is positive or negative, is recorded in the item valuation in the assets account with a credit or debit to the valuation surplus in Changes in the Shareholders' Equity Statement, as the case may be. For tradable investments, the resulting adjustment, whether it is positive or negative, affects the last cost recorded for the investment; the income or expense generated is registered in the Profit and Loss Statement. For shares listed in the stock market, the market value is determined thus: for high marketability shares, based on the average of the last ten (10) days of quotations; for average marketability shares, based on the average of the last ninety (90) days of quotations; and for low marketability shares or shares that are not listed in the stock market, on their intrinsic value.

Pursuant to Joint Circulars 006 and 11 of 2005, issued by the Colombian Superintendent of Societies and the Financial Superintendent, respectively, investments in subsidiary companies in which more than 50% of the capital belongs to the Parent Company, either directly or through an intermediary or with the assistance of its subsidiary companies, among other criteria, are posted using the equity holding method applied forward as of January 1, 1994. Using this method, investments are initially recorded at cost and later adjusted, with a credit or debit to the Profit and Loss Statement, as the case may be, to acknowledge the holdings in the profits or losses in the subsidiary companies as of January 1, 1994, after eliminating unrealized profits between the subsidiary companies and the Parent Company. The cash distribution of the profits of these companies, obtained before December 31, 1993, is recorded as income and, after that date, it is recorded as a lesser value of the investment. In addition to the above, the proportional holdings are also recorded as a greater or lesser value of the investments posted in variations in other equity accounts of the subsidiary companies other than the Profit and Loss Statement of the fiscal period, with a credit or debit to the surplus account through the holding method in the equity.

As of 2007, pursuant to Decree 4918, dated December 28, 2007, the exchange differences resulting from the restatement of the investments in subordinated companies abroad that originated during the year must be recorded as a greater or lesser value of the equity in the surplus by holding method item.

4.2.9 DEFERRED ASSETS

Deferred assets include:

Expenses paid in advance, such as interest and insurance, which are amortized as the services are received.

Deferred charges represent the goods or services received from which it is expected that future economic benefits will be obtained. These deferred charges include costs and expenses incurred in the development of projects, computing programs, and promotion and publicity expenses. They are amortized in periods that range from 12 to 60 months.

4.2.10 PROPERTY, PLANT AND EQUIPMENT; DEPRECIATION, VALUATIONS AND ALLOWANCES

Property, plant and equipment are assessed at their acquisition cost, minus their accumulated depreciation, including additions, improvements and capitalization due to exchange differences, financial expenses and expenses that are directly attributable to the acquisition of the asset.

Disbursements after the acquisition, including major improvements, are capitalized and included in the value in the asset books or are recognized as a separate element, when it is probable that future economic benefits will be obtained.

Repairs and maintenance are posted in the fiscal year Profit and Loss Statement. Sales and withdrawals are recorded at the adjusted net cost; the difference between the adjusted net cost and the sale price is reflected in the Profit and Loss Statement.

Major improvements are depreciated over the remaining useful life of the related asset. Land is not subject to depreciation.

Depreciation is calculated using the straight–line method on cost, based on the probable useful life of the respective assets, at the annual rates permitted by the tax law in the corresponding country, for each group of assets. For the Parent Company and its subordinated companies in Colombia, the annual rates used are 5% for buildings, 10% for machinery and office equipment and 20% for transportation equipment and computer equipment.

Accelerated depreciation is applied to some production equipment; it is equal to 25% of the normal rate for each additional work shift. For other equipment, a depreciation rate based on work hours was used, considering the technical specifications of the equipment provided by the supplier and depending on the applicable legislation.

Excesses of net cost over the realization value, which are determined based on technical appraisals, are recorded in the valuation account; its counterpart is the valuation surplus item. When the net cost is greater than the technical appraisals, an allowance is set up for the differences, which are posted in the Profit and Loss Statement.

Property, plant and equipment appraisals and the appraisal for art and culture assets in the item Other Assets were prepared pursuant to the respective regulations valid in each country; for companies domiciled in Colombia, in accordance with Decree 2649 of 1993.

Companies adequately protect their assets; to do so, they take out insurance policies to cover them against different risks, such as fire, earthquake, theft, robbery and damages to third parties.

4.2.11 INTANGIBLE ASSETS

Goodwill

Pursuant to Joint Circulars 006 and 11 of 2005, issued by the Colombian Superintendent of Societies and the Financial Superintendent, respectively, the additional amount paid over the book value during stock acquisitions in companies over which the Parent Company has or acquires control is recorded as goodwill, pursuant to the provisions established in Articles 260 and 261 of the Commerce Code. For Colombia, goodwill acquired must be amortized in the same period in which it is expected that the investment will be recovered, which may not exceed twenty (20) years. Pursuant to the same regulations, when a price is paid which is less than the intrinsic value, it is not subject to accounting acknowledgement as goodwill. For the consolidated financial statements, negative goodwill is recognized in the equity, through the valuation surplus of the assets acquired in the subordinated company from which it stemmed; said acknowledgement is not made when it is goodwill formed.

Annually, management reviews the goodwill to evaluate its origin and if it is concluded that the goodwill does not generate economic benefits; if the economic benefit has already been obtained, it is amortized in the corresponding fiscal period.

Brands and Rights

Intangible assets include the direct costs incurred in the acquisition of commercial brands, as well as the distribution rights acknowledged based on a technical study prepared by company personnel. These costs are amortized in the lesser period of time between the estimated exploitation and the duration of its legal or contractual term.

Based on the update of the technical study made by an independent investment bank, such intangible assets have a useful life of 99 years.

Leasing Agreements with a Purchase Option

For subordinated companies in Colombia, assets acquired through financial leasing agreements with a purchase option are recorded in the asset account and liability account for the agreed–upon current rental value and purchase options, calculated as of the beginning date of the lease, based on the internal rate of return of the respective agreement.

These rights are amortized and posted in the Profit and Loss Statement using the straight–line method at a rate of 10% for rights in equipment leasing agreements and 20% for vehicles and computer equipment. The rentals paid during the agreement are posted in liabilities in the part calculated for the payment of capital and to the Profit and Loss Statement of the fiscal period under financial expenses.

Research and Development

Research and development expenses are acknowledged in the Profit and Loss Statement when they are incurred.

Expenditures for development activities are recognized as intangible assets when these costs may be reliably estimated, when the product or process is technically and commercially feasible, when potential future economic benefits are obtained and the Company intends and possesses sufficient resources to complete the development and use or sell the asset. Amortization is recognized in the Profit and Loss Statement based on the straight–line method during the estimated useful life of the asset.

Development expenditures that do not qualify for capitalization are recognized in the Profit and Loss Statement when they are incurred.

4.2.12 DERIVATIVE FINANCIAL INSTRUMENTS

In the normal course of business, companies do operations with derivative financial instruments, with the sole purpose of reducing their exposure to fluctuations in the exchange rate and interest rates on obligations in foreign currencies. These instruments include, among others, fixed rate cross currency swap and forward hedging contracts.

While Colombian accounting regulations do not foresee specific treatment for this type of transaction, as of 2007 companies have adopted a policy of calculating the amount of the income or expenses that is the result of comparing the representative market rate at the close of the year with the rate agreed upon in each contract, reduced to its present value on the date of valuation, and the resulting adjustment is posted in the Profit and Loss Statement during the period in which the contracts were entered into, so as to adequately compensate the income or expenses generated by the variations in the exchange rates and interest rates of the hedged items, as the case may be.

4.2.13 TAXES, LEVIES AND RATES

This heading includes the value of the mandatory, general–nature taxation in favor of the State, for which companies are responsible, for the concept of private liquidations that are determined on the taxable bases for the fiscal period.

Income tax is determined based on estimations. The allowance for income tax is posted in the Profit and Loss Statement and includes, in addition to the taxable income of the fiscal period, the taxable effect applicable to the temporary differences between the accounting items and the fiscal items used to calculate the income tax. The tax value on such differences is recorded in a deferred–income tax account.

4.2.14 FINANCIAL OBLIGATIONS AND LOANS

This corresponds to the obligations contracted through obtaining resources from credit institutions or other financial institutions in the country or abroad. Interest and other financial expenses that do not increase the capital are recorded separately.

4.2.15 LABOR OBLIGATIONS

Labor obligations are adjusted at the end of each fiscal period, based on the work contracts and on current legal regulations.

The amount of the retirement pensions is determined based on actuarial studies. Subordinated companies with their domicile in Colombia, Ecuador, Mexico and Peru are subject to actuarial liabilities by law.

Payments made to retired personnel are posted in the Profit and Loss Statement of the fiscal period.

4.2.16 DEBTOR MEMORANDUM ACCOUNTS AND CREDITOR MEMORANDUM ACCOUNTS

Debtor Memorandum Accounts

Events or circumstances from which rights can be generated that affect the financial structure of the companies and accounts for the effects of internal control of assets are recorded in Debtor Memorandum Accounts. This item also includes accounts used to reconcile differences between active accounting records and tax returns.

Creditor Memorandum Accounts

Commitments or contracts related to possible obligations that can affect the financial structure of the companies are recorded in Creditor Memorandum Accounts. This item also includes accounts used for the effects of internal control of liabilities and equity, as well as to reconcile differences between the credit accounting records and tax returns.

4.2.17 ALLOWANCES

Allowances are recognized when, as a consequence of a past event, the Company has a current, legal or implicit obligation, the liquidation of which requires an outflow of resources that it considers probable and that can be estimated with certainty.

4.2.18 CAPITAL

This represents the contributions made to the economic entity, in cash, in industry or in kind, with the aim of providing resources to the business activity which, also, serves as collateral for creditors.

4.2.19 ACKNOWLEDGEMENT OF REVENUES, COSTS AND EXPENSES

Revenue from sales is acknowledged when the product is dispatched; revenue from leasing is acknowledged in the month in which it is accrued; and revenue from services, when they are provided. Costs and expenses are reflected in the Profit and Loss Statement using the accrual system.

4.2.20 PRODUCTION EXPENSES

Indirect costs that have not contributed to bringing inventories to their current condition and location and that are not necessary for production process are posted in production–cost accounts.

4.2.21 NET PROFIT PER SHARE

The net profit per share is calculated on 460.123.458 outstanding shares of the Parent Company at the close of 2012 (2011: 460.123.458)

4.2.22 RELATIVE IMPORTANCE OR MATERIAL SIGNIFICANCE

The consolidated financial statements and the notes to the financial statements disclose in an integral manner the economic events that, in the years that ended on December 31, 2012 and 2011, affected the financial situation of the companies, their profits and losses and cash flows, as well as the changes in their financial position and their shareholders' equity. There are no undisclosed events of that nature that could significantly alter the economic decisions of the users of the information mentioned.

For the purpose of disclosure, relative importance was determined, using a base of 5% of current assets and non–current assets, current liabilities and non–current liabilities, equity, the results of the fiscal period and each general–ledger account, on an individual basis.

4.2.23 RECLASSIFICATION OF THE FINANCIAL STATEMENTS

Certain reclassifications have been incorporated into the 2011 financial statements to facilitate their comparison with the 2012 financial statements.

NOTE 5

Capital and risk management

5.1 RISK MANAGEMENT

The activities of the Parent Company and its subordinated companies are exposed to different financial risks: market risk (including foreign exchange–rate risk, interest–rate risk, and supply–price risk), counterparty credit risk and liquidity risk. The Company's Risk Management Policy is focused on the risks that impede or jeopardize the achievement of its financial objectives, seeking to minimize potential adverse effects on financial performance. The Company employs derivative financial instruments to cover some of the risks described here.

5.1.1 FOREIGN EXCHANGE–RATE RISK

The Company operates internationally and, therefore, is exposed to an exchange–rate risk on transactions involving foreign currencies, especially the U. S. Dollar. The exchange–rate risk arises primarily from trade and liabilities; to mitigate this risk, derivative financial instruments are used.

Existing basic regulations allow free trading of foreign currencies through banks and other financial institutions at free rates of exchange. However, most foreign currency transactions still require official approval.

Transactions and balances in foreign currencies are converted at the representative market rate (*Tasa de Cambio Representativo del Mercado,* TRM), certified by the Colombian Financial Superintendent, at COP 1.768,23 and COP 1.942,70 for USD 1, as of December 31, 2012 and 2011, respectively. For the conversion of the financial statements of the foreign subordinated companies, revenue operations, costs and expenses are expressed in U. S. Dollars at the average annual rate of each country, and this money, to Colombian Pesos applying the average TRM for the year, which was COP 1.798,23 and COP 1.848,17 for USD 1 during 2012 and 2011, respectively. The conversion of the balance–sheet accounts is made at the corresponding closing rates.

The Parent Company and its subordinated companies had the following assets and liabilities in foreign currency, accounted for the equivalent in Pesos as of December 31.

	2012		2011	
	US$	**$**	**US$**	**$**
Available	55.476.325	98.095	39.549.080	76.832
Debtor accounts	184.168.459	325.652	181.133.687	351.888
Inventories	66.189.955	117.039	66.539.640	129.267
Deferred assets and other assets	14.602.040	25.820	14.913.825	28.973
Property, plant and equipment	160.757.408	284.256	104.273.061	202.571
Intangible assets	137.430.204	243.008	134.012.659	260.346
Subtotal	**618.624.391**	**1.093.870**	**540.421.952**	**1.049.877**
Financial operations	134.927.471	238.583	115.841.657	225.045
Suppliers	43.101.979	76.214	40.494.535	78.669
Accounts payable	71.098.783	125.719	73.683.064	143.144
Taxes, levies and rates	12.324.484	21.793	9.851.122	19.138
Labor obligations	17.541.204	31.017	11.042.357	21.452
Estimated liabilities	1.888.626	3.340	3.482.696	6.766
Deferred liabilities and other liabilities	4.422.718	7.820	12.225.333	23.750
Subtotal	**285.305.265**	**504.486**	**266.620.764**	**517.964**
Active, net position	**333.319.126**	**589.384**	**273.801.188**	**531.913**

Impact of the Conversion of the Financial Statements by Country:

2012

	Costa Rica	Ecuador	El Salvador	The United States	Guatemala	México	Nicaragua	Panamá	Perú	Puerto Rico	Venezuela	The Dominican Republic	Total
Current assets	(5.728)	(1.416)	(424)	(2.742)	(1.020)	(1.005)	(672)	(3.433)	(2.242)	(53)	(13.622)	(1.481)	(33.838)
Non–current assets	(24.126)	(34)	(4)	(2.728)	(6)	(159)	(22)	(4.081)	(5.097)	0	(9.234)	(1.276)	(46.767)
TOTAL ASSETS	**(29.854)**	**(1.450)**	**(428)**	**(5.470)**	**(1.026)**	**(1.164)**	**(694)**	**(7.514)**	**(7.339)**	**(53)**	**(22.856)**	**(2.757)**	**(80.605)**
Current liabilities	1.050	1.134	441	1.569	984	472	568	2.542	918	(384)	6.997	2.033	18.324
Non -current liabilities	(59)	32	0	481	0	(13)	0	0	50	0	683	90	1.264
TOTAL LIABILITIES	**991**	**1.166**	**441**	**2.050**	**984**	**459**	**568**	**2.542**	**968**	**(384)**	**7.680**	**2.123**	**19.588**
Minority stake												256	256
Results of the conversion effect	(882)	(16)	14	(67)	40	(21)	36	18	6	2	0	(112)	(982)
Financial state-ments conversion effect	(29.745)	(300)	27	(3.487)	(2)	(726)	(90)	(4.954)	(6.365)	(435)	(15.176)	(490)	(61.743)
TOTAL ACCUMULATED EFFECT FOR THE CONVERSION OF THE FINANCIAL STATEMENTS													**(162.791)**

2011

	Costa Rica	Ecuador	El Salvador	The United States	Guatemala	México	Nicaragua	Panamá	Perú	Puerto Rico	Venezuela	The Dominican Republic	Total
Current assets	1.074	235	49	402	102	(3.508)	(154)	471	3.268	108	1.971	0	4.019
Non–current assets	5.199	5	0	429	0	(562)	(9)	721	10.741	1	1.136	0	17.659
TOTAL ASSETS	**6.274**	**239**	**49**	**831**	**102**	**(4.070)**	**(163)**	**1.192**	**14.009**	**109**	**3.107**	**0**	**21.678**
Current liabilities	(477)	(195)	(49)	(400)	(101)	1.060	179	(269)	(1.719)	(24)	(1.206)	0	(3.201)
Non–current liabilities	(205)	(1)	0	(100)	0	148	0	0	(1.208)	0	69	0	(1.296)
TOTAL LIABILITIES	**(682)**	**(196)**	**(49)**	**(500)**	**(101)**	**1.208**	**179**	**(269)**	**(2.926)**	**(24)**	**(1.137)**	**0**	**(4.497)**
Results of the conver-sion effect	(624)	(17)	36	(223)	18	708	10	240	333	45	0	(12)	514
Financial statements conversion effect	6.216	60	(36)	553	(17)	(3.570)	6	683	10.749	40	1.970	12	16.667
TOTAL ACCUMULATED EFFECT FOR THE CONVERSION OF THE FINANCIAL STATEMENTS													**(101.048)**

5.1.2 INTEREST–RATE RISK

Changes in interest rates can affect the expense for interest on the financial liabilities tied to a variable interest rate; likewise, they can modify the reasonable value of the financial liabilities that have a fixed interest rate.

For the Parent Company and its subordinated companies, the interest–rate risk is primarily from debt–financing transactions, including debt securities, awarding of bank credits and leasing. These financings expose the interest rate to risk, primarily due to changes in the base rates (mostly CPI and, to a lesser extent, the DTF and LIBOR), which are used to determine the interest rates applicable to bonds and loans.

The following table shows, as of December 31, the financial risk structure referenced to a fixed–interest rate and a variable–interest rate:

	2012	2011
Debt with fixed–interest rate	$ 148.946	$ 94.573
Debt with variable–interest rate	541.408	585.025
TOTAL	**$ 690.354**	**$ 679.598**

The Company uses derivative financial instruments as swap contracts, to cover part of the debt service.

5.1.3 COUNTERPARTY CREDIT RISK

Liquid assets are invested primarily in savings accounts, CDs (*Certificado de Depósitos a Término,* CDTs), collective portfolios, simultaneous operations and papers that meet the Company's risk policy, both in amount and by user. In addition, the Company performs counterparty credit–risk assessment on the financial institutions with which it has relations.

5.1.4 LIQUIDITY RISK

The Parent Company and its subordinated companies are able to fund its liquidity and capital–resource requirements through different sources, including:

- Cash generated from operations
- Short– and long–term credit lines
- Medium– and long–term debt issuance
- Issuance of treasury shares

NOTE 6

Cash and cash equivalents

The balance as of December 31 included:

		2012		2011
Cash, banks and savings and loan corporations	$	224.731	$	163.234
Temporary investments		67.081		29.853
TOTAL	**$**	**291.812**	**$**	**193.087**

There are no restrictions for the availability of these values; the average return of these funds is 5,61%.

NOTE 7

Net debtor accounts

The balance as of December 31 included:

		2012		2011
Clients:				
National	$	357.863	$	321.449
Abroad		158.983		174.667
Client Allowance (1)		(8.421)		(5.710)
Subtotal	**$**	**508.425**	**$**	**490.406**
Advance tax, contributions and credit balances		74.261		74.837
Income receivable		729		1.865
Advanced payments and advances		47.553		41.772
Accounts receivable from employees		9.528		9.229
Loans to individuals		426		484
Others		16.950		10.595
TOTAL DEBTOR ACCOUNTS (SHORT TERM)	**$**	**657.872**	**$**	**629.188**
Accounts receivable from employees		22.584		21.216
Advanced payments and advances		950		227
Loans to individuals		21		0
Others		433		0
TOTAL DEBTOR ACCOUNTS (LONG TERM)	**$**	**23.988**	**$**	**21.443**

(1) Accounts with maturities exceeding one (1) year, for sales of products, are sanctioned against the allowance.

The movement of the portfolio allowance was the following:

		2012		2011
Client allowance balance at the beginning of the year	$	5.710	$	8.340
Yearly portfolio allowance expense		11.742		9.355
Portfolio penalty		(9.031)		(11.985)
Portfolio allowance balance at the end of the year	**$**	**8.421**	**$**	**5.710**

NOTE 8
Net inventories

The balance as of December 31 included:

		2012		2011
Raw materials	$	191.222	$	221.710
Work in progress		45.598		52.366
Finished products		135.430		160.765
Goods not manufactured by the Company		44.483		37.185
Materials, parts, accessories and packaging		89.945		87.043
Inventories in transit		24.132		16.591
Livestock		25.631		30.302
Inventory - protection allowance		(645)		(4.096)
TOTAL	**$**	**555.796**	**$**	**601.866**

NOTE 9
Deferred assets and other assets

The balance as of December 31 included:

		2012		2011
Expenses paid in advance	$	11.031	$	10.513
Equity tax		0		52.476
Deferred charges (1)		46.421		67.412
Rights in financial instruments (2)		679		14.788
Other assets		6.234		3.535
TOTAL	**$**	**64.365**	**$**	**148.724**
TOTAL CURRENT ASSETS		**(32.215)**		**(34.453)**
TOTAL NON - CURRENT ASSETS	**$**	**32.150**	**$**	**114.271**

(1) The decrease in deferred charges corresponds to the Everest Project software.
(2) Derivative financial instruments

The balances in assets and liabilities due to derivative financial instruments as of December 31, 2012 and 2011, correspond to the market value of valid contracts pursuant to the rights and obligations of the companies. For their derivative contracts, all profits and losses are acknowledged in the fiscal year Profit and Loss Statement. As of December 31, 2012 and 2011, the derivative instruments generated profits for COP 25.997 (2011: COP 11.766) and losses for COP 18.990 (2011: COP 23.396), respectively.

The market value of the derivative instruments as of December 31, the interest rates and the exchange rates for these contracts are listed below:

2012

Financial Institution	Initial Financial Obligation USD	Financial Obligation Balance USD	Hedging Value USD	Initial Date	Maturity	Rights $	Obligations $	Non - realized Profits (Losses) $	Initial Exchange Rate (1)	TFuture Exchange Rate (1)	Interest Rate on Right	Interest Rate on Obligation
OBLIGATIONS												
Swaps												
BBVA	40.285.714	8.392.858	8.392.858	17/04/2008	14/02/2014	0	(405)	(405)		1.795	Libor 3 Months + 0.85	11,25% EA
RBS	37.714.286	7.857.144	7.857.144	30/04/2008	14/02/2014	0	(184)	(184)		1.772	Libor 3 Months + 0.95	10,92% EA
RBS	33.000.000	2.357.154	2.357.154	14/06/2006	14/06/2013	0	(1.793)	(1.793)		2.519	Libor 3 Months + 0.85	9,87% EA
TOTAL LONG–TERM OBLIGATIONS							**(2.382)**					
TOTAL OBLIGATIONS							**(2.382)**					
Forwards												
HELM BANK	30.075.000		30.075.000	12/12/2012	14/06/2013		(979)	(979)	1798	1.811,15	3%	4.04%
TOTAL SHORT–TERM OBLIGATIONS							**(979)**					
TOTAL OBLIGATIONS						**0**	**(979)**					
Forwards												
BANCOLOMBIA	286.032		286.032	26/09/2012	28/01/2013	14		14	1.799,00	1.822,97		
BANCOLOMBIA	286.032		286.032	26/09/2012	26/02/2013	14		14	1.799,00	1.827,20		
BANCOLOMBIA	286.032		286.032	26/09/2012	22/03/2013	14		14	1.799,00	1.830,29		
BANCOLOMBIA	286.032		286.032	26/09/2012	26/04/2013	14		14	1.799,00	1.836,34		
BANCOLOMBIA	286.032		286.032	26/09/2012	27/05/2013	14		14	1.799,00	1.841,86		
BANCOLOMBIA	286.032		286.032	26/09/2012	26/06/2013	14		14	1.799,00	1.847,18		
BANCOLOMBIA	286.032		286.032	26/09/2012	26/07/2013	14		14	1.799,00	1.852,06		
BANCOLOMBIA	286.032		286.032	26/09/2012	26/08/2013	14		14	1.799,00	1.857,01		
BANCOLOMBIA	286.032		286.032	26/09/2012	26/09/2013	14		14	1.799,00	1.861,77		
BANCOLOMBIA	1.693.890		1.693.890	16/07/2012	25/01/2013	73		73	1.774,00	1.816,69		
BANCOLOMBIA	1.077.930		1.077.930	16/07/2012	25/02/2013	45		45	1.774,00	1.821,50		
BANCOLOMBIA	1.385.910		1.385.910	16/07/2012	21/03/2013	56		56	1.774,00	1.825,48		
BANCOLOMBIA	1.385.910		1.385.910	16/07/2012	25/04/2013	53		53	1.774,00	1.830,14		
BANCOLOMBIA	1.077.930		1.077.930	16/07/2012	24/05/2013	40		40	1.774,00	1.834,48		
BANCOLOMBIA	1.077.930		1.077.930	16/07/2012	25/06/2013	40		40	1.774,00	1.838,30		
TOTAL SHORT–TERM RIGHTS						**$ 433**	**$ 0**					
TOTAL RIGHTS						**$ 433**						
BANCOLOMBIA	1.385.910		1.385.910	16/07/2012	25/07/2013	50		50	1.774.00	1.842.20		
BANCOLOMBIA	1.385.910		1.385.910	16/07/2012	23/08/2013	48		48	1.774.00	1.842.68		
BANCOLOMBIA	1.077.930		1.077.930	16/07/2012	24/09/2013	36		36	1.774.00	1.846.12		
BANCOLOMBIA	1.385.910		1.385.910	16/07/2012	25/10/2013	46		46	1.774.00	1.849.08		
BANCOLOMBIA	1.693.890		1.693.890	16/07/2012	25/11/2013	54		54	1.774.00	1.850.52		
BANCOLOMBIA	286.032		286.032	26/09/2012	28/10/2013	12		12	1.799.00	1.866.02		
TOTAL LONG–TERM RIGHTS						**$ 246**	**$ 0**					
TOTAL RIGHTS						**$ 246**						
GRAND TOTAL						**$ 679**	**($3.361)**					

2011

Financial Institu-tion	Initial Financial Obligation USD	Financial Obligation Balance USD	Hedging Value USD	Initial Date	Maturity	Rights $	Obliga-tions $	Non - realized Profits (Losses) $	Initial Excha nge Rate (1)	Future Excha nge Rate (1)	Interest Rate on Right	Interest Rate on Obligation
Swaps												
BBVA	40.285.714	15.107.143	15.107.143	17/4/2008	14/2/2014	2.283	(366)	1.917		1.795,00	Libor 3 months + 0,85	11,25% EA
RBS	37.714.286	14.142.858	14.142.858	30/4/2008	14/2/2014	2.414	(287)	2.127		1.772,00	Libor 3 months + 0,95	10,92% EA
Citibank	40.176.271	40.176.271	40.176.271	3/7/2008	3/7/2018	10.091		10.091		2,96PEN	Libor 6 months + 1,80	8,84% EA
TOTAL LONG–TERM RIGHTS						**$ 14.788**	**$ (653)**					
TOTAL RIGHTS						**$ 14.788**	**$ (653)**					
TOTAL SHORT–TERM OBLIGATIONS												
Swaps												
RBS	33.000.000	7.071.438	7.071.438	14/6/2006	14/6/2013		(4.143)	(4.143)		2.518,50	Libor 3 months + 0,85	9,87% EA
TOTAL LONG–TERM OBLIGATIONS							(4.143)					
TOTAL OBLIGATIONS						**0**	**$(4.143)**					
GRAND TOTAL						**$ 14.788**	**$(4.796)**					

(1) Expressed in Colombian Pesos (COP).

The value of the above–mentioned financial instruments includes the accrual of the contract interest and the effect of the difference in the exchange rate.

The purpose of entering into hedging contracts is the following:

Forward contracts to purchase and sell foreign currencies cover the exposures to exchange–rate risks regarding accounts receivable, accounts payable, loans, and firm future commitments in foreign currencies. Substantially all the contracts are in United States Dollars (USD). In general, contract maturity coincides with the maturity of the hedged element or account.

All the previous contracts have been made with renowned financial institutions, which are expected to provide adequate compliance. Management continuously monitors its positions and the financial situation of the counterparties and does not anticipate losses in the execution of these contracts.

At the close of the 2012 fiscal period, *Grupo Nutresa S.A.* and its subordinated companies presented the following financial options to hedge its exposure to the exchange rate in 2013:

Class	Type	Expiration	Exercise	USD Amount	Strike Average
Sale	Put	2013	Europeo	15.400.000	1745-1772
Purchase	Put	2013	Europeo	2.350.000	1800
Purchase	Call	2013	Europeo	7.700.000	1791-1924
Sale	Call	2013	Europeo	9.650.000	1998-2050

NOTE 10
Net permanent investments

The balance as of December 31 included:

2012										
COMPANY	**Number of Shares Owned**	**Number of Outstanding Shares**	**Intrinsic or Market Value per Share**	**Date of Valuation**	**Participation Percentage**	**Cost**	**Allow-ance**	**Total Cost**	**Valuat. (Devaluat.)**	**Divi-dends Received**
Grupo de Inversiones Suramericana S.A.	59.387.803	575.372.223	38.000,00	28/12/2012	10,32%	$147.259		$147.259	$2.109.477	$18.024
Grupo Argos S.A.	79.804.628	783.202.657	21.000,00	28/12/2012	10,19%	120.795		120.795	1.555.103	16.680
Bimbo de Colombia S.A.	2.324.630	5.811.576	30.182,07	30/11/2012	40,00%	52.986	(45)	52.941	17.221	0
Fondo Ganadero de Antioquia S.A.	1.547.021	43.321.254	1.631,14	30/9/2012	3,57%	3.077		3.077	(554)	0
Sociedad Central Ganadera S.A.(1)	50.267	279.859	43.493,25	31/10/2012	17,96%	1.155		1.155	1.031	402
Promotora de Proyectos S.A.	398.038	6.070.831	198,00	31/10/2012	6,56%	265	(1)	264	(185)	0
Sociedad Portuaria Regional de Buenaventura	93.836	87.056.154	2.192,83	30/11/2012	0,11%	128		128	77	79
Trigonal S.A.	744	35.342	5.956,57	30/11/2012	2,11%	2		2	3	0
Other companies						526		526		2
Subtotal						**$326.193**	**$(46)**	**$326.147**	**$3.682.173**	**$35.187**
Mandatory and other investments (2)						3.943		3.943		
TOTAL NET PERMANENT INVESTMENTS						**$330.136**	**$(46)**	**$330.090**	**$3.682.173**	**$35.187**

(1) During 2012, 1.576 shares in Sociedad Central Ganadera S.A. were acquired for COP 130.
(2) Includes the *Grupo Nutresa S.A.* Trust

2011										
COMPANY	**Number of Shares Owned**	**Number of Outs-tanding Shares**	**Intrinsic or Market Value per Share**	**Date of Valuation**	**Partici-pation Percen-tage**	**Cost**	**Allow ance**	**Total Cost**	**Valuat. (Deva-luat.)**	**Divi-dends Received**
Grupo de Inversiones Suramericana S.A.			31.100,00					$147.259	$1.699.702	$16.897
Grupo Argos S.A.	79.804.628	645.400.000	16.820,00	30/12/2011	12,37%	120.795		120.795	1.221.519	15.641
Bimbo de Colombia S.A.	2.324.630	5.811.576	25.174,58	30/11/2011	40,00%	52.986	(45)	52.941	5.581	0
Fondo Ganadero de Antioquia S.A.	1.547.021	43.321.254	1.566,89	30/9/2011	3,57%	3.077		3.077	(653)	0
Sociedad Central Ganadera S.A.(1)	48.691	279.859	42.249,71	30/11/2011	17,40%	1.025		1.025	1.032	228
Promotora de Proyectos S.A.	398.038	6.070.831	220,00	31/10/2011	6,56%	265	(1)	264	(177)	0
Sociedad Portuaria Regional de Buenaventura	78.437	87.056.154	2.465,93	30/11/2011	0,09%	111		111	83	93
Trigonal S.A.	744	35.342	7.660,51	31/8/2011	2,11%	2		2	4	0
Cía. de Distribución y Transporte S.A.(2)	0	0	0,00	0	0,00%	0		0	0	665
Other companies						704		704		7
Subtotal						**$326.224**	**$(46)**	**$326.178**	**$2.927.091**	**$33.531**
Mandatory investments and other investments (3)						2.893		2.893		
TOTAL NET PERMANENT INVESTMENTS						**$329.117**	**$(46)**	**$329.071**	**$2.927.091**	**$33.531**

(1) During 2011, 910 shares in *Sociedad Central Ganadera S.A.* were acquired.
(2) In December 2011, 182.901 shares in *Compañía de Distribución y Transporte S.A.* were sold.
(3) Includes the *Grupo Nutresa S.A.* Trust.

Duly authorized by the Colombian Financial Superintendent, in August 2009 the Company, through the *Grupo Nutresa S.A.* Trust, issued 500.000.000 ordinary bonds at a par value of COP 1.000 per bond, which were placed in their entirety on the market and have an “AAA” (Triple A) rating by *Fitch Ratings Colombia S.A.* The bonds are endorsed 100% by the Company.

As of December 31, the bonds have been distributed thus:

Series	Capital	CPI RATE +	Mode
C5	98.541	4,1900%	T.V
C7	131.815	4,9600%	T.V.
C10	135.482	5,3300%	T.V.
C12	134.162	5,5900%	T.V.
TOTAL	**500.000**		

NOTE 11

Net property, plant and equipment

	Real Estate	Construction and Assembly in Progress	Office Equipment	Production Equipment	Transport Equip-ment	TOTAL
As of January 1, 2011:						
Cost	675.709	99.870	30.860	1.238.903	10.108	2.055.450
Accrued depreciation	(259.143)	0	(20.324)	(839.558)	(8.204)	(1.127.229)
Flexible depreciation	25.839	0	427	45.438	(48)	71.656
Allowance	(10.986)	0	0	(98)	0	(11.084)
Net value in books as of January 1, 2011	**$431.419**	**$99.870**	**$10.963**	**$444.685**	**$1.856**	**988.793**
Valuations	**$597.020**	**$0**	**$0**	**$410.849**	**$1.406**	**$1.009.275**
For the year ended on December 31, 2011:						
Initial balance	431.419	99.870	10.963	444.685	1.856	988.793
Conversion effect	2.309	225	139	2.241	50	4.964
Acquisitions	30.991	0	1.790	94.465	982	128.228
Acquisitions through new companies	3.073	186	819	1.926	25	6.029
Sales and withdrawals	(1.675)	0	(378)	(4.705)	(296)	(7.054)
Depreciations	(24.817)	0	(2.850)	(66.310)	(1.215)	(95.192)
Allowance recovery	0	0	0	27	0	27
Adjustments for inflation	(17.462)	(76)	13	(3.718)	24	(21.219)
Transfers and reclassifications	31.484	(20.154)	(2.190)	(3.613)	(248)	5.279
Final balance as of December 31, 2011	**$455.322**	**$80.051**	**$8.306**	**$464.998**	**$1.178**	**$1.009.855**
Valuations	**$689.459**	**$0**	**$0**	**$477.049**	**$1.309**	**$1.167.817**
As of December 31, 2011						
Cost	728.000	80.051	33.819	1.307.736	8.979	2.158.585
Accrued depreciation	(290.400)	0	(25.766)	(884.430)	(7.819)	(1.208.415)
Flexible depreciation	28.708	0	253	41.763	18	70.742
Allowance	(10.986)	0	0	(71)	0	(11.057)
Net value in books as of December 31, 2011	**$455.322**	**$80.051**	**$8.306**	**$464.998**	**$1.178**	**$1.009.855**
Valuations	**$689.459**	**$0**	**$0**	**$477.049**	**$1.309**	**$1.167.817**
For the year ended on December 31, 2012:						
Initial balance	455.322	80.051	8.306	464.998	1.178	1.009.855
Conversion effect	(6.821)	(506)	(60)	(7.764)	(233)	(15.384)
Acquisitions	56.056	0	1.022	123.329	318	180.725
Acquisitions through new companies	4.570	3	131	4.607	1.157	10.468
Sales and withdrawals	(8.825)	0	(211)	(1.319)	(322)	(10.677)
Depreciations	(24.165)	0	(2.643)	(71.158)	(1.132)	(99.098)
Allowance recovery	64	0	0	30	0	94
Adjustments for inflation	39.993	1.515	6	13.525	24	55.063
Transfers and reclassifications	(18.474)	28.721	4.751	(10.476)	217	4.739
Final balance as of December 31, 2012	**$497.720**	**$109.784**	**$11.302**	**$515.772**	**$1.207**	**$1.135.785**
As of December 31, 2012						
Cost	782.586	109.784	39.367	1.412.879	8.878	2.353.494
Accrued depreciation	(298.238)	0	(28.273)	(946.084)	(7.662)	(1.280.257)
Flexible depreciation	24.295	0	208	49.017	(9)	73.511
Provision	(10.923)	0	0	(40)	0	(10.963)
Net value in books as of December 31, 2012	**$497.720**	**$109.784**	**$11.302**	**$515.772**	**$1.207**	**$1.135.785**
Valuations	**$722.409**	**$0**	**$0**	**$456.290**	**$1.435**	**$1.180.134**

LEVIES

The property, plant and equipment are free of levies and, therefore, fully owned by the companies, except for:

- An industrial building, together with the lot of land located in Bogotá on which it is built, with an area of 22.361,09 m2, with mortgage security number 51600000786, to guarantee open credits owned by *Compañía Nacional de Chocolates S.A.S.*
- Lot of land number 1 located in the Guayabal area, with an approximate area of 88.307,20 m2; it is owned by *Compañía de Galletas Noel S.A.S.*, with real–estate security number 100005157, in favor of *Bancolombia.*
- A lot of land located in the *Los Llanos* rural area, in the municipality of Yarumal, owned by *Setas Colombianas S.A.* Real–estate Registration Folio Number 037–0009591, for an open mortgage for future credits, with real–estate security number 290001073, in favor of *Bancolombia*.
- A rural estate known as *La Sopetrana*, currently *Alcalá*, located in the *Los Llanos* rural area, in the municipality of Yarumal, owned by *Setas Colombianas S.A.* Real–estate Registration Folio Number 037–0009592, for an open mortgage for future credits, with real–estate security number 290001073, in favor of *Bancolombia.*
- A lot of land in the territorial community called *Llanos de Cuivá*, owned by *Setas Colombianas S.A.*, located in the municipality of Yarumal. Real–estate Registration Folio Number 037–0009593, for an open mortgage for future credits, with real–estate security number 290001073, in favor of *Bancolombia*.
- Property located in the municipality of Santa Rosa de Osos, the Provincial Department of Antioquia, in the area of *La Sopetrana Aragón*. The property is distinguished with number 1382; it is owned by *Setas Colombianas S.A.* Real–estate Registration Folio Number 025–0004324, for an open mortgage for future credits, with real–estate security number 290001073, in favor of *Bancolombia.*
- Equipment and machinery that make up the mushroom plant owned by *Setas Colombianas S.A.*, which are installed in the property belonging to the company, with real–estate security number 290001072, in favor of *Bancolombia*.
- A pledge on 13.500.000 shares issued by *Grupo Suramericana S.A.*, in favor of *Grupo Nutresa S.A.*, for the following companies: *Alimentos Cárnicos S.A.S.*, *Tropical Coffee S.A.S., Industria Colombiana de Café S.A.S., Meals S.A.S., La Recetta S.A.S., Pastas Comarrico S.A.S., Productos Alimenticios Doria S.A.S., Servicios Nutresa S.A.S., Setas Colombianas S.A., Industrias Aliadas S.A.S., Industrias de Alimentos Zenú S.A.S., Litoempaques S.A.S, Molino Santa Marta S.A.S., Novaventa S.A.S., Compañía de Galletas Noel S.A.S. and Compañía Nacional de Chocolates S.A.S.*
- For *Industria Colombiana de Café S.A.S*, 1.806.532 shares issued by *Grupo Argos S.A.*, the value of which is COP 21.000 per share as of December 2012.

The value posted to the Profit and Loss Statement for the depreciation of property, plant and equipment was COP 99.098; in 2011, it was COP 95.192. See Note 30.

NOTE 12

Net intangible assets

	Leased Assets	Goodwill	Distribution Rights	Trust Rights	Brands	Other Assets	TOTAL
As of January 1, 2011							
Cost	27.636	372.719	9.077	4.848	519.151	27.995	961.426
Accrued amortization	(8.769)	(31.514)	(6.203)	0	(61.356)	0	(107.842)
Allowance	0	0	0	(20)	0	0	(20)
Net value in books as of January 1, 2011	**$18.867**	**$341.205**	**$2.874**	**$4.828**	**$457.795**	**$27.995**	**$853.564**
For the year ended on December 31, 2011:							
Initial balance	18.867	341.205	2.874	4.828	457.795	27.995	853.564
Conversion effect	0	4.299	0	72	2.757	203	7.331
Acquisitions	3.087	71.114	0	0	0	2.786	76.987
Sales and withdrawals	(694)	0	0	0	(22)	0	(716)
Amortizations	(3.671)	(22.235)	(1.277)	0	(3.369)	(250)	(30.802)
Transfers and reclassifications	(6.441)	0	(1)	(1)	(151)	614	(5.980)
Final balance as of December 31, 2011	**$11.148**	**$394.383**	**$1.596**	**$4.899**	**$457.010**	**$31.348**	**$900.384**
As of December 31, 2011							
Cost	17.989	448.550	9.077	4.919	512.755	31.598	1.024.888
Accrued amortization	(6.841)	(54.167)	(7.481)	0	(55.745)	(250)	(124.484)
Allowance	0	0	0	(20)	0	0	(20)
Net value in books as of December 31, 2011	**$11.148**	**$394.383**	**$1.596**	**$4.899**	**$457.010**	**$31.348**	**$900.384**
As of December 31, 2012							
Initial balance	11.148	394.383	1.596	4.899	457.010	31.348	900.384
Conversion effect	(136)	(4.741)	0	(436)	(12.370)	(1.134)	(18.817)
Acquisitions	2.293	187.195	0	0	0	107	189.595
Acquisitions through new companies	90	0	0	0	0	0	90
Sales and withdrawals	(519)	0	0	0	0	0	(519)
Amortizations	(3.587)	(23.239)	(1.277)	0	(3.353)	(3.045)	(34.501)
Transfers and reclassifications	(2.209)	1	0	0	(7.665)	(918)	(10.791)
Final balance as of December 31, 2012	**$7.080**	**$553.599**	**$319**	**$4.463**	**$433.622**	**$26.358**	**$1.025.441**
As of December 31, 2012							
Cost	13.905	630.212	9.077	4.483	498.592	29.651	1.185.920
Accrued amortization	(6.825)	(76.613)	(8.758)	0	(64.970)	(3.293)	(160.459)
Allowance	0	0	0	(20)	0	0	(20)
Net value in books as of December 31, 2012	**$7.080**	**$553.599**	**$319**	**$4.463**	**$433.622**	**$26.358**	**$1.025.441**

NOTE 13

Memorandum accounts

The balance as of December 31 included:

		2012		2011
Debtor Memorandum Accounts:				
Contingent Rights				
Assets and securities delivered as security	$	545.684	$	487.212
Assets and securities in possession of third parties		24.296		24.305
Litigations and lawsuits		39.159		1.653
Subtotal	**$**	**609.139**	**$**	**513.170**
Fiscal Debtor Memorandum Accounts:	**$**	**(6.375.080)**	**$**	**(5.459.647)**
Debtor Control Memorandum Accounts:				
Goods received in financial leasing	$	17.877	$	9.667
Totally depreciated property, plant and equipment		597.634		526.158
Asset inflation adjustment		773.070		861.155
Other debtor control memorandum accounts		213.088		251.371
Subtotal	**$**	**1.601.669**	**$**	**1.648.351**
TOTAL DEBTOR MEMORANDUM ACCOUNTS	**$**	**(4.164.272)**	**$**	**(3.298.126)**
Creditor Memorandum Accounts:				
Contingent responsibilities				
Goods and securities received from third parties	$	338	$	$ 576
Other contingent responsibilities		1.283.814		1.259.939
Subtotal	**$**	**1.284.152**	**$**	**1.260.515**
Fiscal Creditor Memorandum Accounts		(513.402)		(351.065)
Creditor control memorandum accounts	$	57.939	$	66.165
Inflation adjustments		878.604		913.479
Subtotal	**$**	**936.543**	**$**	**979.644**
TOTAL CREDITOR MEMORANDUM ACCOUNTS	**$**	**1.707.293**	**$**	**1.889.094**

NOTE 14

Financial obligations:

The balance as of December 31 included:

Entity		Balance		Accrued Interest	Rate	Security	Short Term	
		2012	2011				CP	LP
National Banks	*Bancolombia*		2.360					
	BBVA	208	556	34	DTF+ 5,00%	Promissory	208	0
	Leasing Bancolombia	4.938	6.752	617	DTF+ 4,3% - 5,45%	Promissory	2.313	2.625
	Overdrafts	8.123	2.293	0			8.123	
Foreign Banks	Development Corporation of Abilene	-	1.167	0			0	0
	Helm Bank Panamá	53.047	0	92	Tasa fija 1%	Promissory	53.047	
	HSBC Panama	0	4				0	0
	Leasing Banco de Crédito Perú	8	568	20	6,9% EA	Contract	8	-
	Leasing BBVA Continental	186	681	11	3,4% - 5,25% - 5,40%	Contract	136	50
	Banco de Comercio de Guatemala	737			9,0%			737
	Overdrafts	4.692	3.898	0			4.692	
	Scotiabank	32.902	70.562	700	LIBOR + 0,85 -0,95%	Endorsement	27.155	5.747
Others	*Alpina S,A,*		590	0			0	0
	Fideicomiso Grupo Nacional de Chocolates S,A,	500.000	500.000	41.893	IPC + 4,19% - 5,59%	Endorsement	0	500.000
	Bonos Perú	82.152	85.371	6.943	8,84% E,A,	Endorsement	0	82.152
	Derivative Financial Instruments	3.361	4.796	0	9,87%, - 10,92%, 11,25% EA	Contract	980	2.381
	TOTAL	**$ 690.354**	**$ 679.598**	**$ 50.310**			**$ 96.662**	**$ 593.692**
	Payable in 2013	$ 96.662						
	Payable in 2014	$ 108.552						
	Payable after 2014	$ 485.140						

(1) Emission of Bonds

Duly authorized by the *Compañía Nacional de Chocolates S.A.* Assembly of Shareholders in July 2008, a bond issue was made in Peru through a private offer with the following characteristics:

- **Type of instrument:** Guaranteed corporate bonds.
- **Characteristics:** Nominative, indivisible bonds that are tradable by holders.
- **Country of issue:** Peru.
- **Issue currency:** New Peruvian *Soles*.
- **Amount of issue:** 118.520.000.
- **Destination of the issue:** Capitalization of *Compañía Nacional de Chocolates de Perú S.A.* in order to finance investment projects and debt replacement.
- **Interest Rate:** 8.65625% EA (on New Peruvian Soles) payable semi–annually.
- **Type of amortization:** Bullet.
- **Guarantor:** *Grupo Nacional de Chocolates S.A.*
- **Structuring entity:** *Citibank del Perú S.A.*
- **Term:** 10 years.

During 2012, COP 6.943 (2011: COP 7.060) was posted to the Profit and Loss Statement for interest on the issuance of the aforesaid bonds.

NOTE 15

Suppliers

The balance as of December 31 included:

	2012	2011
National Suppliers	$ 97.479	$ 82.851
Foreign Suppliers	73.169	80.317
TOTAL	**$ 170.648**	**$ 163.168**

NOTE 16

Accounts payable

The balance as of December 31 included:

	2012	2011
Costs and expenses payable	$ 163.587	$ 126.529
Dividends payable	45.405	43.150
Withholdings and payroll contributions	28.026	27.194
Income tax	21.273	18.282
Others	1.331	2.089
TOTAL	**$ 259.622**	**$ 217.244**
TOTAL SHORT - TERM ACCOUNTS PAYABLE	**259.456**	**217.086**
TOTAL LONG - TERM ACCOUNTS PAYABLE	**$ 166**	**$ 158**

NOTE 17

Taxes, levies and rates

Liabilities for taxes, levies and rates are primarily comprised of income–tax taxation, calculated pursuant to applications in the domicile of the Parent Company and its subordinated companies, namely:

Regarding income tax, Colombian tax regulations establish that:

a. Fiscal income is taxed at a rate of 33% for the concept of income tax and complementary tax, except for those contributors that, by express disposition, handle special rates. Windfall earnings are treated separately from ordinary income and are taxed at the same rate previously indicated. Windfall earnings included the earnings obtained from the disposal of fixed assets owned for two (2) years or more, the profits from the liquidation of companies and those profits from inheritances, legacies and donations.
b. The taxable base to determine income tax cannot be less than 3% of the net worth of the shareholders' equity on the last day of the immediately previous taxable fiscal period.

   The Colombian companies that settled the tax based on the presumptive income in 2012 were: *Tropical Coffee Company S.A.S., Molinos Santa Marta S.A.S., Novaventa S.A.S., Litoempaques S.A.S. and Industria de Alimentos Zenú S.A.S.*

   The other subordinated companies settled the tax based on the ordinary income system.
c. As of December 31, 2012, the fiscal losses of the subordinated companies in Colombia amounted to COP 10.007.

Pursuant to current tax regulations, the fiscal losses generated from 2003 until 2006 may be offset and/or fiscally adjusted, with the ordinary income of the following eight years, without exceeding 25% of the value of the loss annually, without prejudice to the presumptive income for the fiscal period. Losses originated as of tax year 2007 may be offset and/or fiscally adjusted, without any limit on the percentage, at any time, with ordinary income without prejudice to the presumptive income of the fiscal period. Company losses may not be transferred to the shareholders. Fiscal losses originating in revenue that do not constitute income or windfall earnings, and originated in costs and deductions that have no relation of causality with the generation of taxable income may not–under any circumstance–be offset with taxpayers' net income.

d. As of December 31, 2012, the excesses of presumptive income over ordinary income of the subordinated companies in Colombia pending offset amounted to COP 1.599. Pursuant to current tax regulations, the excesses of presumptive income over ordinary income obtained as of tax year 2003 may be offset and/or fiscally readjusted with ordinary liquid income, within the following five (5) years.
e. Beginning in 2004, income tax–taxpayers that enter into operations with economically bound companies or related parties abroad are required to determine their ordinary and extraordinary income, their costs and deductions, their assets and liabilities, for the purpose of calculating their income tax and complementary taxes, considering the so–called market prices and profit margins for these operations. To date, the management and advisors of the Company and its subordinated companies have concluded the study corresponding to 2011, which did not require any adjustments in the financial statements.
f. For 2013, Law 1607 of December 2012 reduces the income tax rate to 25% and creates the equity income tax (*impuesto sobre la renta para la equidad,* CREE) to be paid by assimilated companies and legal entities and taxpayers reporting income tax and complementary tax, which will have a rate of 9% for 2013, 2014 and 2015. Beginning in tax year 2016, this tax rate will be 8%. Except for some special deductions, as well as the offset of losses and excess presumptive income, which are benefits that are not applicable to CREE, the tax base will be the same tax base as that of the net income tax. Non–profit entities and companies classified as free–trade zone users will be exempt from the equity income tax CREE.
g. As indicated in Article 25 of Law 1607 of December 2012, as of July 1, 2013, legal entities and taxpayers of income tax and complementary taxes, corresponding to workers who earn, individually, up to ten (10) minimum monthly wages will be exempt from paying parafiscal contributions for *SENA* and *ICBF*. This exemption does not apply to those contributors who are not subject to the CREE tax.
h. Law 1370 of 2009 established a capital tax for the 2011 tax year, which income taxpayers must pay. Therefore, those taxpayers with a net worth above COP 5.000 are subject to a rate of 4,8%; those with a net worth of between COP 3.000 and COP 5.000 must pay a rate of 2,4%. Likewise, Emergency Decree Number 4825 of December 2010 included a new range of taxpayers required to pay this tax. It established a rate of 1% for those taxpayers whose net worth is between COP 1.000 and COP 2.000; those whose net worth is between COP 2.000 and COP 3.000 must pay a rate of 1,4%. This decree also established a 25% surcharge on this tax.

   The value of the tax, including the surcharge, was COP 75.953. The tax was accrued on January 1, 2011, and is paid in eight (8) installments during four (4) years; that is, two (2) installments per year.

Regarding income tax:

Tax regulations in Mexico establish that:
During the 2012 fiscal period, the Mexican income tax was 30%, which is applied on the fiscal result of the fiscal period. In addition, it established that the workers' share of the fiscal profits is ten percent (10%).

Tax regulations in Costa Rica establish that:
Income tax is calculated based on the real basis of the profit of the fiscal period, with estimated advances during the year. The allowance for income taxes posted in the Profit and Loss Statement includes, in addition to the taxable income tax for the fiscal period, the tax effect applicable to the temporary differences between the accounting items and the fiscal items used to calculate the income tax. The value of the tax on these differences is recorded in a deferred income–tax account. The income–tax rate is 30%.

Tax regulations in Panama establish that:
Income tax is determined based on the real basis of the profit of the fiscal period. The income–tax rate is 25%.

Tax regulations in Ecuador establish that:
Pursuant to the Tax Policy Law, companies incorporated in Ecuador have fiscal application incentives for the investments that are made anywhere in the national territory, which consists of the progressive reduction of percentage points on the income tax. They are subject to a tax rate of 23% in 2012 and 22% in 2013.

The balance of taxes, levies and rates as of December 31 included:

	2012	2011
Income tax and complementary taxes	$ 36.674	$ 21.165
Tax on sales payable	62.949	50.415
Equity tax	37.977	57.125
Others	603	4.117
TOTALS	**$ 138.203**	**$ 132.822**
TOTAL SHORT - TERM TAXES	**$ 119.215**	**$ 95.488**
TOTAL LONG - TERM TAXES	**$ 18.988**	**$ 37.334**

The movement of the income–tax account during the year included the following:

	2012	2011
Allowance posted to the Profit and Loss Statement of the year	$ 105.932	$ 76.893
Deferred income tax	32.525	37.026
Minus: Advance payments, auto - retentions and withholdings practiced	(101.783)	(92.754)
TOTAL INCOME TAX AND COMPLEMENTARY TAXES PAYABLE	**$ 36.674**	**$ 21.165**

NOTE 18
Labor obligations

The balance as of December 31 included:

	2012	2011
Salaries payable	$ 2.498	$ 1.817
Consolidated severance pay	42.658	33.375
Consolidated vacation pay	19.122	17.599
Bonuses and interest on severance pay	32.745	31.691
Others	12.946	11.947
TOTAL	**$ 109.969**	**$ 96.429**
TOTAL SHORT - TERM LABOR OBLIGATIONS	**102.371**	**89.949**
TOTAL LONG - TERM LABOR OBLIGATIONS	**$ 7.598**	**$ 6.480**

Employees who work directly for *Grupo Nutresa S.A.* (Parent Company) and its subordinated companies during the fiscal period:

2012						
Direct Employment	Number of Persons by Gender			Salaries	Benefits	Total
	Men	Women	Total			
Top Management	119	40	159	$35.895	$20.725	$56.620
Mid Management	5.508	3.215	8.723	269.296	181.008	450.304
Others	7.074	2.971	10.045	137.577	120.146	257.723
TOTAL	**12.701**	**6.226**	**18.927**	**$442.768**	**$321.879**	**$764.647**

2011						
Direct Employment	Number of Persons by Gender			Salaries	Benefits	Total
	Men	Women	Total			
Top Management	94	35	129	$31.800	$19.690	$51.490
Mid Management	5.558	3.080	8.638	253.896	168.096	421.992
Others	6.352	1.993	8.345	121.755	82.153	203.908
TOTAL	**12.004**	**5.108**	**17.112**	**$407.451**	**$269.939**	**$677.390**

NOTE 19

Estimated liabilities and allowances

The balance as of December 31 included:

	2012	2011
Labor obligations	$ 3.011	$ 84
For costs and expenses	0	4.446
Retirement pensions (1)	22.944	24.140
Others	2.333	4.938
TOTAL LIABILITIES AND ALLOWANCES	**$ 28.288**	**$ 33.608**
TOTAL SHORT - TERM LIABILITIES AND ALLOWANCES	**5.559**	**12.708**
TOTAL LONG - TERM LIABILITIES AND ALLOWANCES	**$ 22.729**	**$ 20.900**

(1) Retirement pensions

The allowance for retirement pensions was posted based on the actuarial calculations as of December 31.

	2012	2011
Actuarial calculation for retirement pensions	$ 23.753	$ 26.057
Retirement pensions to be amortized (Db)	(1.137)	(1.917)
TOTAL RETIREMENT PENSIONS	**$ 22.616**	**$ 24.140**
TOTAL CURRENT RETIREMENT PENSIONS	**3.131**	**3.240**
TOTAL LONG - TERM RETIREMENT PENSIONS	**$ 19.485**	**$ 20.900**
Due to decrease in the allowance	67	346
Due to payments made during the year	3.186	3.164
TOTAL	**$ 3.253**	**$ 3.510**

The benefits covered are monthly pensions, semester bonuses, readjustments pursuant to legal regulations, survivorship annuities and their corresponding bonuses. In addition, funeral expenses were included for the direct–hire employees of the companies.

Colombian companies use the method of current value of split income due, readjusted in accordance with the parameters established in Article 1 of Decree 2783, dated December 20, 2001. The balance of the actuarial liabilities to be amortized as of December 31, 2010 correspond to 19 years, pursuant to Decree 4565, dated December 7, 2010.

The total number of persons covered by the actuarial calculations is 340, as of December 2012 and 354 as of December 2011

NOTE 20

Deferred liabilities and other liabilities

The balance as of December 31 included:

		2012		2011
Deferred taxes	$	125.466	$	112.430
TOTAL DEFERRED LIABILITIES	**$**	**125.466**	**$**	**112.430**
Advance payments and advanced receivable		3.649		4.924
Income receivable from third parties		113		107
TOTAL OTHER LIABILITIES	**$**	**3.762**	**$**	**5.031**
TOTAL	**$**	**129.228**	**$**	**117.461**
TOTAL SHORT - TERM DEFERRED LIABILITIES AND OTHER LIABILITIES		**3.761**		**5.031**
TOTAL LONG - TERM DEFERRED LIABILITIES AND OTHER LIABILITIES	**$**	**125.467**	**$**	**112.430**

NOTE 21

Reserves and equity revaluation

- **Legal Reserve:**

Pursuant to Colombian commerce legislation, 10% of the net profits must be appropriated each year as a legal reserve, until the reserve balance reaches at least 50% of the subscribed capital. This reserve cannot be distributed until the Company is liquidated, but it must be used to absorb losses. The Assembly of Shareholders may freely dispose of any excess above the minimum amount required by law.

- **Reserve for Flexible Depreciation:**

Some of the subordinated companies have constituted a reserve consisting of 70% of the highest depreciation value requested for fiscal effects.

- **Reserve for Stock Buy Back:**

Some of the companies have constituted the reserve for stock buy–back, through the transfer of other reserves. Pursuant to the provisions set forth in the Commerce Code, all rights inherent in stock buy–back are suspended and must be excluded when determining the intrinsic value of the issued stock. The Company must maintain a reserve equal to the cost of the buy backs of its own stock.

- **Other Reserves:**

This includes the value accrued through the holding method and the dividends received from subordinated companies and other reserves that are substantially for free disposal by the Assembly of Shareholders.

The balance as of December 31 included:

		2012		2011
Mandatory reserves	$	206.034	$	201.914
Occasional reserves		823.822		740.559
TOTAL RESERVES	**$**	**1.029.856**	**$**	**942.473**

Equity Revaluation

The adjustments for inflation corresponding to the balances of the equity accounts, until December 31, 2006, were credited to this account and posted to the Profit and Loss Statement of the fiscal period. Pursuant to current Colombian regulations, this balance may be distributed when the Company is liquidated or capitalized. This capitalization represents an income that is neither income nor windfall earnings for shareholders.

This item is decreased with the equity tax and may not be distributed as a profit until the company is liquidated or capitalized, pursuant to fiscal provisions.

NOTE 22
Valuation surplus

The balance as of December 31 included:

		2012		2011
Marketable securities	$	3.682.173	$	2.927.091
Property, plant and equipment		1.180.134		1.167.817
Others		4.108		2.643
TOTAL VALUATIONS	$	**4.866.415**	$	**4.097.551**
Minus minority stake		(14.278)		(1.991)
TOTAL VALUATION SURPLUS	**$**	**4.852.137**	**$**	**4.095.560**

NOTE 23
Operating income

The balance as of December 31 included:

		2012		2011
Net domestic for sale of products	$	3.794.081	$	3.496.189
Exports and sales abroad		1.511.701		1.561.194
TOTAL	**$**	**5.305.782**	**$**	**5.057.383**

A breakdown of the total operating income by country, converted to Dollars, is provided next:

Country		2012	Share %		2011	Share %
Colombia (1)	US$	2.289.805.746	77,51%	US$	2.102.130.044	77,13%
Costa Rica		97.694.388	3,31%		113.011.639	4,15%
Ecuador		30.914.418	1,05%		28.599.586	1,05%
The United States		85.088.778	2,88%		70.584.089	2,59%
Guatemala		22.091.329	0,75%		8.123.464	0,30%
México		53.147.012	1,80%		57.331.044	2,10%
Nicaragua		9.563.280	0,32%		10.050.447	0,37%
Panamá		44.877.010	1,52%		42.104.777	1,54%
Perú		59.625.834	2,02%		54.836.736	2,01%
Puerto Rico		520.929	0,02%		3.477.119	0,13%
El Salvador		8.898.470	0,30%		4.165.623	0,15%
Venezuela		227.723.576	7,71%		211.889.737	7,77%
República Dominicana		24.406.371	0,83%		19.285.159	0,71%
	US$	**2.954.357.141**	**100,00%**	**US$**	**2.725.589.464**	**100,00%**

(1) The sale of Colombian companies were converted to the average TRM of COP 1.798,23 (2011: COP 1.848,17.

NOTE 24

Administration operating expenses

The balance as of December 31 included:

		2012		2011
Personnel expenses	$	132.584	$	124.130
Professional fees		25.054		25.185
Services		30.646		28.003
Taxes, insurance and leasing		21.931		18.064
Amortizations		33.835		28.169
Travel expenses		8.148		8.704
Contributions and affiliations		4.057		4.474
Depreciations		2.298		2.229
Legal expenses		767		533
Supplies for computer equipment and communications		319		468
Taxis and buses		718		1.979
Office supplies and stationery		1.799		1.027
Others		8.147		7.096
TOTAL	**$**	**270.303**	**$**	**250.061**

NOTE 25
Sales operating expenses

The balance as of December 31, included:

	2012	2011
Personnel expenses	$ 394.662	$ 357.710
Services	515.249	484.458
Taxes, insurance and leasing	128.570	123.953
Publicity material	35.944	31.717
Depreciations	27.337	25.662
Travel expenses	25.217	24.485
Professional fees	24.451	18.741
Commissions	16.616	12.849
Fuel and lubricants	11.936	10.838
Portfolio allowance	11.741	9.355
Containers and packaging	8.816	8.178
Amortization	13.669	9.125
Office supplies and stationery	3.104	3.950
Legal expenses	1.587	1.771
Tasting events and promotions	68	874
Others	108.009	97.636
TOTAL	**$ 1.326.976**	**$ 1.221.302**

NOTE 26
Production operating costs

The balance as of December 31 included:

	2012	2011
Personnel expenses	$ 23.761	$ 31.067
Services	45.172	44.588
Taxes, insurance and leasing	17.210	13.200
Taxis and buses	5.885	5.219
Depreciations	1.968	3.431
Professional fees	4.367	3.821
Travel expenses	2.392	2.061
Cleaning and cafeteria expenses	2.623	2.015
Contributions and affiliations	1.248	1.866
Office supplies and stationery	1.297	1.143
Supplies, machinery and equipment	1.034	1.039
Fuel and spare parts	134	663
Amortization	619	370
Checks and restaurant expenses	69	183
Legal expenses	326	150
Others	14.826	12.507
TOTAL	**$ 122.931**	**$ 123.323**

NOTE 27
Dividends and financial income

The balance as of December 31 included:

	2012	2011
From other companies (Note 10)	$ 35.187	$ 33.531
Exchange - rate difference	22.290	52.900
Derivative valuation profit	25.978	11.766
Interest	12.125	7.442
Other financial income	560	150
TOTAL DIVIDENDS AND FINANCIAL INCOME	**$ 96.140**	**$ 105.789**

NOTE 28
Financial expenses

The balance as of December 31 included:

	2012	2011
Interest	$ 52.675	$ 64.191
Exchange - rate difference	27.496	44.906
Derivative valuation loss	18.990	23.396
Conditioned commercial discounts	89	723
Financial - movement tax	13.289	14.724
Others	4.670	5.028
TOTAL FINANCIAL EXPENSES	**$ 117.209**	**$ 152.968**

NOTE 29
Net other income and outlays

The balance as of December 31 included:

	2012	2011
Recoveries	$ 12.481	$ 20.572
Profit in sale of investments	0	11.185
Profit in sale of property, plant and equipment and intangible assets	38.597	10.888
Indemnifications - acknowledgements	1.892	1.792
Leasings	976	676
Services	23	211
Loss on withdrawal of assets	(3.948)	(4.174)
Donations	(5.942)	(5.954)
Extraordinary expenses (1)	(11.188)	(19.513)
Adjustments for inflation (2)	(17.252)	(20.313)
Amortization of the Everest Project (3)	(10.338)	0
Equity tax (4)	(18.789)	(4.927)
Net others	(435)	(6.191)
TOTAL NET OTHER INCOME AND OUTLAYS	**$ (13.923)**	**$ (15.748)**

(1) In 2011, this item included COP 9.524 for share–issuance expenses and COP 2.439 for change of the Company name.
(2) Corresponds to the adjustment for inflation in Venezuela.
(3) Management of the Company and its subordinated companies conducted a study of the balance of the charge for the implementation of the information system, which concluded that the investment had fulfilled its objective, generating the expected economic benefits; it was decided to amortize the balance to be amortized.
(4) Equity tax is considered an acquired obligation. For this reason, in 2012 the totality of this tax was posted in the Profit and Loss Statement after exhausting the equity revaluation, pursuant to Article 1 of Decree 859, dated March 23, 2011.

NOTE 30
Depreciations

The balance as of December 31 included:

		2012		2011
Constructions and buildings	$	24.165	$	24.817
Office equipment		2.643		2.850
Transport equipment		1.132		1.215
Production equipment		71.158		66.310
GENERAL TOTAL	**$**	**99.098**	**$**	**$ 95.192**

NOTE 31
Amortization of intangible assets, deferred assets and other assets

The balance as of December 31 included:

		2012		2011
Goodwill	$	23.196	$	21.894
Project Everest operation		6.336		5.538
Improvements to property of others		4.968		3.401
Intangible brands		3.356		3.360
Leasing		3.576		3.525
Distribution rights		1.277		1.277
Licenses		2.992		234
Software		280		171
Other projects		117		0
Royalties		28		0
Building, machinery and equipment maintenance		4.759		1.044
Subtotal of operational amortizations	**$**	**50.885**	**$**	**40.444**
Project Everest post - operation		10.338		0
TOTAL AMORTIZATIONS	**$**	**61.223**	**$**	**40.444**

NOTE 32

Acquisition of property, plant and equipment

During the year, the following assets were acquired:

	2012	2011
Real estate	$ 56.056	$ 30.991
Office equipment	1.022	1.790
Production equipment	123.329	94.465
Transport equipment	318	982
GENERAL TOTAL ACQUISITIONS	**$ 180.725**	**$ 128.228**

NOTE 33

Dividends decreed and paid

In the ordinary Assembly of Shareholders, held March 30, 2012, a monthly per–share dividend of COP 30 was decreed between April 2012 and March 2013 inclusive, on 460.123.458 outstanding shares. Dividends in 2012 were decreed in the amount of COP 166.128 (2011: COP 154.582), including the minority shareholders.

During 2012, dividends in the amount of COP 163.873 (2011: COP 150.292) were paid.

NOTE 34

Issuance of shares

In 2011, 25.000.00 ordinary shares were subscribed, placed at a value of COP 20.900 per share for a capital total of COP 522.500 received.

NOTE 35

Net profit on the sale of property, plant and equipment and Investments

The balance as of December 31 included:

Income obtained in the transfer of property, plant, equipment and intangible assets

	2012	2011
Machinery	$ 741	$ 4.748
Real estate	46.918	3.772
Intangible assets	473	7.326
Fleet and transport equipment	429	456
Others	23	112
GENERAL TOTAL	**$ 48.584**	**$ 16.414**

Net profit (loss) on sale and withdrawal of investments and property, plant and equipment

	2012	2011
Real estate	$ 36.826	$ 2.465
Investments	(2)	10.244
Intangible assets	47	6.567
Machinery and equipment	(601)	(99)
Others	485	(156)
GENERAL TOTAL	**$ 36.755**	**$ 19.021**

NOTE 36
Subsequent events

Dan Kaffe (Malaysia) Sdn. Bhd. ("DKM")
On December 11, 2012, *Grupo Nutresa S.A.*, through its subsidiary industry *Colombiana de Café S.A.S.* (*Colcafé*), entered into an agreement by which it acquired a 44% stake of the Malaysian company Dan Kaffe (Malaysia) Sdn. Bhd. ("DKM"); the agreement was completed on February 15, 2013.

Founded in 1994, DKM is one of the largest Malaysian companies dedicated to the production of instant coffee and coffee extracts. Its plant is located in Johor Bahru, 25 kilometers from the port of Singapore, the business hub of Southeast Asia.

The other shareholders of this company are Mitsubishi Corporation, the Japanese multinational company and one of the largest and most recognized conglomerates of this country, with a 30% stake; and Takasago International Corporation, one of the world leaders in flavors and aromas, with a 26% stake.

With its high–quality, privileged location and growth potential, Dan Kaffe is strategic for *Grupo Empresarial Nutresa's* coffee business.

Impact due to the Devaluation of the Venezuelan *Bolívar*
In the press release on February 8, 2013, which reported the devaluation of the *Bolívar* (VEF) against the U. S. Dollar (4,30 to 6,30), the Company evaluated the impacts in the consolidated financial statement as of December 31, 2012, generating a decrease in equity for COP 68.972, which would be reflected in 2013 in the Conversion Effect item.

	6,3 rate applied 2013	4,3 rate applied 2013	impact	Variation	GN consolidated impact
ASSETS	$ 193.941	$ 284.146	$ (90.205)	(31,75%)	(1,0%)
LIABILITIES	45.650	66.883	(21.233)	(31,75%)	(1,4%)
EQUITY	148.291	217.263	(68.972)	(31,75%)	(0,9%)
RESULTS	274.837	402.668	(127.831)	(31,75%)	(2,4%)
SALES	11.662	17.086	(5.424)	(31,75%)	(0,8%)
NET INCOME	(1.485)	(2.175)	$690	(31,75%)	0,2%

NOTE 37

Consolidated financial ratios

		2012		2011
Liquidity ratio (Current assets / Current liabilities) Indicates the Company's capability to attend its short–term obligations, using current assets as endorsement.		2,03		2,29
Debt ratio (Total liabilities / Total assets) Indicates the part of the Company's assets that are financed with third–party resources.		17,05%		18,16%
Asset turnover ratio (Operating income / Total assets)		0,59		0,64
Profit margin ratio (Net profit / Operating income)		6,51%		5,01%
Profitability ratio				
(Net profit / Equity)		4,66%		3,92%
(Net profit (Total assets)		3,86%		3,20%
Consolidated EBITDA, adjusted				
Operating profit	$	521.112	$	432.495
Depreciations		99.098		95.192
Amortizations and other adjustments		50.885		40.444
TOTAL CONSOLIDATED EBITDA, ADJUSTED	**$**	**671.095**	**$**	**568.131**
EBITDA over total equity		9,06%		8,77%
Multi–national indicators				
Share of assets abroad (Assets abroad / Total assets)		11.36%		12,85%
Share of sales abroad				
(Sales abroad / Total sales)		28,49%		23,18%
Number of direct employees abroad / Total number of direct employees		29,47%		29,76%

NOTE 38
Financial information by country

Below is a breakdown of the operations by country, expressed in COP, converted at an average TRM of COP 1.798,23 (2011: COP 1.848,17):

	Sales		Total Assets		Net Profit		Administration Expenses		Sales Expenses		Production Expenses	
Country	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Colombia	4.117.598	3.885.094	7.934.797	6.911.971	307.564	221.590	225.543	207.265	1.097.240	1.008.846	75.389	81.646
Costa Rica	175.677	208.865	296.924	309.182	27.862	17.676	9.376	9.751	48.697	50.378	8.492	9.028
Ecuador	55.591	52.857	18.530	16.147	921	254	0	0	11.915	11.141	0	0
El Salvador	16.001	7.699	5.071	4.760	(794)	(695)	0	0	4.013	2.407	0	0
The United States	153.009	130.451	65.287	60.898	3.996	4.349	3.769	3.769	19.637	14.996	2.082	10.475
Guatemala	39.725	15.014	18.800	10.230	(1.586)	(415)	0	0	7.447	3.473	0	0
México	95.571	105.958	56.174	55.817	7.561	9.861	3.127	3.716	15.199	15.819	4.399	667
Nicaragua	17.197	18.575	5.680	5.216	(892)	(398)	0	0	3.751	3.509	0	0
Panamá	80.699	77.817	81.632	83.674	(1.119)	(4.005)	2.875	2.823	14.796	13.903	1.269	589
Perú	107.221	101.348	178.452	196.147	339	(3.964)	7.557	7.692	20.226	18.723	3.739	1.770
Puerto Rico	937	6.426	688	591	(142)	(882)	0	0	500	2.426	0	0
Venezuela	402.668	411.638	269.755	254.497	(907)	9.577	14.049	11.608	70.577	64.843	27.561	19.148
The Dominican Republic	43.888	35.641	19.774	22.039	2.704	563	4.007	3.437	12.977	10.838	0	0
TOTAL	**5.305.782**	**5.057.383**	**8.951.564**	**7.931.169**	**345.507**	**253.511**	**270.303**	**250.061**	**1.326.975**	**1.221.302**	**122.931**	**123.323**

NOTE 39

Balances and transactions among related parties

Operations of *Grupo Nutresa S.A.* (Parent Company) or its subordinated companies with companies in which the members of the Board of Directors, Legal Representatives, Chief Officers or Shareholders of *Grupo Nutresa S.A.* own more than a 10% share.

Company	Value of Operations 2012	Value of Operations 2011	Effect on Profit and Loss Statement 2012
BANCOLOMBIA S.A.			
Commissions	$ 1.221	$ 5.843	$ 1.221
Professional fees	47	46	47
Purchase of services	863	255	863
Financial returns	0	20	0
Interest paid	509	0	136
Interest received	0	6	0
Sale of goods	14	0	14
Sale of services	691	0	691
Balance receivable	0	136	0
Balance payable	7.922	2.055	0
C.I.CONFECCIONES COLOMBIA S.A.			
Purchase of services	2	0	2
Sale of services	2	1	2
Balance receivable	0	1	0
CONSULTORÍA EN GESTIÓN DE RIESGOS SURAMERICANA S.A.			
Professional fees	36	39	36
Purchase of services	0	8	0
Balance payable	25	10	0
EPS MEDICINA PREPAGADA SURAMERICANA S.A.			
Purchase of services	0	4	0
Sale of goods	5	0	5
Sale of services	6	3	6
Balance receivable	0	3	0
Balance payable	0	3	0
GRUPO DE INVERSIONES SURAMERICANA S.A.			
Dividends received	18.024	16.896	0
Dividends paid	57.578	50.978	0
INVERSIONES ARGOS S.A.			
Dividends received	16.680	15.642	0
Dividends paid	12.788	4.491	0
Sale of services	36	0	36

Company	Value of Operations 2012	Value of Operations 2011	Effect on Profit and Loss Statement 2012
SERVICIOS DE SALUD IPS SURAMERICANA S.A.			
Purchase of services	$ 18	$ 36	$ 18
Professional fees	3	3	3
Sale of services	0	58	0
Sale of goods	9	1.475	9
Balance receivable	0	296	0
Balance payable	17	7	0
PROTECCIÓN S.A.			
Sale of goods	26	0	26
Sale of services	8	16	8
Balance receivable	0	28	0
Balance payable	1.066	0	0
SEGUROS DE VIDA SURAMERICANA S.A.			
Purchase of services	911	2	911
Sale of services	14	0	14
Balance payable	1.682	0	0
SODEXHO PASS DE COLOMBIA			
Commissions	10	37	10
Purchase of services	618	4.487	468
Professional fees	0	20	0
Balance receivable	0	11	0
Balance payable	296	115	0
SODEXO COLOMBIA S.A.			
Purchase of goods	0	9	0
Purchase of services	19.525	23.079	19.525
Professional fees	0	6	0
Sale of goods	2.764	0	2.764
Sale of services	3	5.754	3
Balance receivable	0	1.007	0
Balance payable	2.082	1.904	0
SURAMERICANA SEGUROS S.A.			
Purchase of insurance	2.152	2.413	2.152
Purchase of services	119	1.487	119
Sale of goods	10	0	10
Sale of services	170	0	170
Balance receivable	153	167	0

Company	Value of Operations 2012	Value of Operations 2011	Effect on Profit and Loss Statement 2012
COMPUREDES S.A.			
Purchase of services	$ 500	$ 157	$ 500
Professional fees	0	184	0
Balance payable	48	54	0
COLOMBIANA DE COMERCIO S.A.			
Purchase of services	604	0	604
Sale of goods	5.232	0	5.232
Balance receivable	856	0	0
Balance payable	439	0	0
SURATEP S.A.			
Sale of services	10	0	10
Sale of goods	38	0	38
CELSIA S.A. E.S.P			
Sale of services	12	0	12
CEMENTOS ARGOS S.A			
Sale of services	646	0	646
BRINKS DE COLOMBIA S.A.			
Balance payable	27	0	0
The Company carried out operations with the following manager:			
JAIRO GONZÁLEZ GÓMEZ			
Professional fees	$ 13	$ 0	$ 13

Note: All of the above operations were executed at normal market prices under normal market conditions.

Basic Financial Statements

FISCAL AUDITOR'S REPORT

Grupo Nutresa S.A.
ASSEMBLY OF SHAREHOLDERS.

February 22, 2013

I have audited the general Balance Sheets of *Grupo Nutresa S.A.* as of December 31, 2012 and 2011, and the corresponding statements of Profits and Losses, Changes in Shareholders' Equity, Changes in the Financial Situation, and Cash Flows for the years ended on those dates, and the summary of the principal accounting policies indicated in Note 2 and other explanatory notes.

Management is responsible for the proper preparation and presentation of these financial statements pursuant to the accounting principles generally accepted in Colombia and provisions issued by the Colombian Financial Superintendent. This responsibility includes designing, implementing and maintaining internal control relevant to ensuring that these financial statements are free from material misstatements due to fraud or error; selecting and applying appropriate accounting policies, as well as establishing the accounting estimates that are reasonable in the circumstances.

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

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

In my opinion, the above–mentioned financial statements that I have audited, which were faithfully taken from the ledgers, reasonably present, in all significant aspects, the financial situation of *Grupo Nutresa S.A.* as of December 31, 2012 and 2011, and its operating results, the changes in its financial situation and its cash flows for the years ended on these dates, pursuant to accounting principles generally accepted in Colombia and the provisions of the Colombian Financial Superintendent, which were applied in a uniform manner.

Based on the result of my tests, in my concept:

a) The Company's accounting has been kept pursuant to legal regulations and to accounting techniques.

b) The operations recorded in the accounting ledgers and the minutes of the administrators adjust to the Statutes and to the decisions of the General Assembly of Shareholders.

c) The correspondence, account vouchers, Minutes Ledger and Share Registry Ledger are duly kept and maintained.

d) There are adequate measures for the internal control, conservation and custody of Company assets and those of third parties in its possession.

e) The Company has complied with the regulations established in External Circular 062 of 2007, through which the Colombian Financial Superintendent established the obligation to implement mechanisms to prevent and control money laundering and the financing of terrorism, stemming from illegal securities–market activities.

f) There is concordance between the financial statements that accompany this opinion and the management report prepared by the administration.

g) The information contained in the payment declarations of contributions to the Comprehensive Social Security System, in particular the information relating to the affiliates and the income contribution base, has been taken from accounting records and supports. The Company is not in arrears for the concept of contributions to the Comprehensive Social Security System.

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

CERTIFICATION OF THE FINANCIAL STATEMENTS

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

HEREBY CERTIFY:

February 22, 2013

That we have previously verified the statements contained in the Financial Statements of the Company, as of December 31, 2012 and 2011, pursuant to regulations, and they have been faithfully taken from the books and reflect the financial position and results of the operations of the Company.

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

1. The assets and liabilities of *Grupo Nutresa S.A.* do exist and the transactions recorded were made during the corresponding years.

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

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

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

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

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

Carlos Enrique Piedrahíta Arocha
CEO

Jaime Alberto Zuluaga Yepes
Accountant Professional Card TP 24769-T

CERTIFICATION OF THE FINANCIAL STATEMENTS LAW 964 OF 2005

Grupo Nutresa S.A. Shareholders Medellín

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

CERTIFIES:

February 22, 2013

That the financial statements and operations of the Company as of December 31, 2012 and 2011, do not contain defects, inaccuracies or errors that prevent knowing the true financial situation of the Company.

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

As evidence, this is signed on the 22nd day of the month of February, 2013.

Carlos Enrique Piedrahíta Arocha
CEO

BALANCE SHEET

As of December 31
(Values Expressed in COP Millions)

	NOTES	2012	2011
ASSETS			
Current Assets			
Cash and Cash Equivalents	(3)	$ 75	$ 94
Debtor Accounts	(4)	14.922	10.662
Total Current Assets		$ 14.997	$ 10.756
Non - Current Assets			
Net Permanent Investments	(5)	3.748.345	3.554.895
Deferred Charges		0	503
Other Assets		118	155
Valuations	(5)	3.733.696	2.979.150
Total Non - Current Assets		**$ 7.482.159**	**$ 6.534.703**
TOTAL ASSETS		**$ 7.497.156**	**$ 6.545.459**
LIABILITIES			
Current Liabilities			
Financial Obligations		$ 7	$ 0
Accounts Payable	(7)	64.925	59.309
Taxes, Levies and Rates	(8)	489	249
Labor Obligations		481	872
Deferred Income	(9)	8.803	8.296
TOTAL CURRENT LIABILITIES		**74.705**	**68.726**
Non - Current Liabilities			
Accounts Payable	(7)	157	157
Taxes, Levies and Rates	(8)	168	336
Total Non - Current Liabilities		325	493
TOTAL LIABILITIES		**$ 75.030**	**$ 69.219**
EQUITY			
Company Stock	(10)	2.301	2.301
Capital Surplus		1.363.092	1.351.089
Reserves	(11)	1.327.080	1.236.743
Equity Revaluation	(12)	650.473	650.975
Results of the Fiscal Year		345.484	255.982
Surplus for Revaluation	(5)	3.733.696	2.979.150
Total Equity		**$ 7.422.126**	**$ 6.476.240**
TOTAL LIABILITY AND EQUITY		**$ 7.497.156**	**$ 6.545.459**
Memorandum Accounts	(6)		
Debtor Memorandum Accounts		$ (3.931.856)	$ (3.075.419)
Creditor Memorandum Accounts		1.752.116	1.794.101

The notes are an integral part of the Financial Statements.

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

Carlos Enrique Piedrahíta Arocha
CEO
(See attached certification)

Juber Ernesto Carrión
Fiscal Auditor
Professional Card No. 86122-T
Member of PricewaterhouseCoopers Ltda.
(See attached report)

PROFIT AND LOSS STATEMENT

From January 1 to December 31
(Values Expressed in COP Millions)

	NOTES	2012	2011
Holding Method Income (1)	(5)	**$ 312.990**	**$ 223.644**
Food Holding Method		394.018	294.100
Financial Expenses, Interests		(52.675)	(64.191)
Amortization of Goodwill		(23.196)	(14.520)
Exchange Differences		(5.238)	7.994
Realization of Investments		(2)	161
Dividends		83	100
Profits from Realization of Investments	(14)	0	11.024
Realization of Investments to Third Parties		0	12.322
Cost of Realization of Investments to Third Parties		0	(1.298)
Dividends		**35.105**	**33.432**
Interests Received		**2**	**4**
Other Operating Income		**8.377**	**7.217**
Operating Administration Expenses		**(10.090)**	**(9.004)**
Administration Expenses	(13)	(10.090)	(9.004)
Operating Profit		**346.384**	**266.317**
Financial Expenses		0	(3)
Other Income and Outlays		(539)	(10.205)
Total Non - Operating Income and Outlays		**(539)**	**(10.208)**
Profit before Reserve for Estimated Income Tax		**345.845**	**256.109**
Reserve for Income Tax		(361)	(127)
Net Profit		**$ 345.484**	**$ 255.982**
Net Profit per Share (2)		**750,85**	**556,33**

(1) The heading comprising Holding Methods Income is included in the financial statement of the companies in which *Grupo Nutresa S.A.* registered the holding method.

(2) Expressed in Colombian Pesos (COP).

The notes are an integral part of the Financial Statements.

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

Carlos Enrique Piedrahíta Arocha
CEO
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CHANGES IN SHAREHOLDERS' EQUITY STATEMENT

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

	Notes	Capital	Stock - Placing Bonus	Holding Method Surplus	RESERVES: Legal	RESERVES: Due to Legal Provisions	RESERVES: for Stock Buy Back	RESERVES: At the Disposal of Highest Company Body	RESERVES: Future Invesements	RESERVES: Other Reserves	RESERVES: Total Reserves	Revaluation of Equity	Profit from the Fiscal Year	Valuation Surplus	Total Equity
Balances as of December 31, 2010		**2.176**	**24.456**	**657.873**	**2.711**	**1.076**	**82.400**	**164.157**	**862.332**	**176**	**1.112.852**	**651.143**	**278.403**	**3.596.772**	**6.323.675**
Emission of Shares		125	522.375												522.500
Dividends Declared													(154.512)		(154.512)
Transfers to Profits and Reserves								(5.700)	0	129.591	123.891		(123.891)		0
Equity Tax Appropriation												(168)			(168)
Adjustment for Valuations														(617.622)	(617.622)
Application of Holding Method	(5)			146.385											146.385
Net Profit for the Year 2011													255.982		255.982
Balances as of December 31, 2011		**2.301**	**546.831**	**804.258**	**2.711**	**1.076**	**82.400**	**158.457**	**862.332**	**129.767**	**1.236.743**	**650.975**	**255.982**	**2.979.150**	**6.476.240**
Dividends Declared													(165.645)		(165.645)
Transfers to Profits and Reserves										90.337	90.337		(90.337)		0
Equity Tax Appropriation												(502)			(502)
Adjustment for Valuations														754.546	754.546
Application of Holding Method	(5)			12.003											12.003
Net Profit for the Year 2012													345.484		345.484
Balances as of December 31, 2012		**2.301**	**546.831**	**816.261**	**2.711**	**1.076**	**82.400**	**158.457**	**862.332**	**220.104**	**1.327.080**	**650.473**	**345.484**	**3.733.696**	**7.422.126**

The notes are an integral part of the Financial Statements

Jaime Alberto Zuluaga Yepes
Accountant
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(See attached report)

STATEMENT OF CHANGES IN THE FINANCIAL SITUATION

From January 1 to December 31
(Values Expressed in COP Millions)

FINANCIAL RESOURCES PROVIDED FROM:	NOTES		2012		2011
NET PROFIT		$	**345.484**	$	**255.982**
Plus (minus) debits (credits) to operations that do not affect the working capital:					
Net profit on sale and liquidation of investments	(14)		0		(11.024)
Provision for other assets			37		0
Profit from holding method application	(5)		(312.729)		(223.393)
Recovery of holding method application method	(5)		(261)		(251)
Dividends from affiliates and subsidiaries	(5)		132.473		43.145
RESOURCES PROVIDED FROM OPERATIONS			**165.004**		**64.459**
Plus:					
Emission of shares			0		522.500
Income obtained in realization or liquidation of investments	(14)		0		12.813
Decrease in other deferred charges			503		0
Increase in tax payable			0		336
RESOURCES PROVIDED BY SOURCES OTHER THAN OPERATIONS			**503**		**535.649**
TOTAL FINANCIAL RESOURCES PROVIDED		$	**165.507**	$	**600.108**
FINANCIAL RESOURCES USED IN:					
Dividends declared	(15)		165.645		154.512
Decrease in accounts payable			0		1
Decrease in tax payable			168		0
Acquisition of investments in stock			930		513.570
Acquisition of other investments			0		2
Increase in deferred assets			0		503
Appropriation for equity tax			502		168
TOTAL FINANCIAL RESOURCES USED		$	**167.245**	$	**668.756**
Decrease in working capital		$	**(1.738)**	$	**(68.648)**
Analysis of Changes in Working Capital					
INCREASE (DECREASE) IN CURRENT ASSETS					
Cash and cash equivalent		$	(19)	$	(131)
Debtor accounts			4.260		(79.699)
TOTAL		$	**4.241**	$	**(79.830)**
(INCREASE) DECREASE IN CURRENT LIABILITIES					
Financial obligations			(7)		445
Accounts payable			(5.616)		10.953
Taxes, levies and rates			(240)		355
Labor obligations			391		75
Deferred liabilities			(507)		(646)
TOTAL		$	**(5.979)**	$	**11.182**
DECREASE IN WORKING CAPITAL		$	**(1.738)**	$	**(68.648)**

The notes are an integral part of the Financial Statements.

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

Carlos Enrique Piedrahíta Arocha
CEO
(See attached certification)

Juber Ernesto Carrión
Fiscal Auditor
Professional Card No. 86122-T
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(See attached report)

CASH FLOW STATEMENT

From January 1 to December 31
(Values Expressed in COP Millions)

CASH FLOWS PROVIDED FROM OPERATIONS:	NOTES	2012	2011
NET PROFIT		**$ 345.484**	**$ 255.982**
Plus (minus) debits (credits) due to operations that do not affect cash:			
Net profit on sales and liquidation of investments	(14)	0	(11.024)
Provision for other assets		37	0
Profit from applying holding method	(5)	(312.729)	(223.393)
Recovery of holding method application allowance	(5)	(261)	(251)
Dividends received from affiliates and subsidiaries	(5)	132.473	43.145
Payment of equity tax		(168)	(168)
Changes in operating assets and liabilities:			
Debtor accounts		(4.260)	79.699
Deferred assets		1	(503)
Accounts payable		3.373	(15.240)
Taxes, levies and rates		240	(19)
Labor obligations		(391)	(75)
Deferred liabilities		507	646
NET CASH PROVIDED FROM OPERATIONS		**$ 164.306**	**$ 128.799**
CSH FLOWS PROVIDED FROM INVESTMENT ACTIVITIES:			
Income obtained from realization or liquidation of investments	(14)	0	12.813
Acquisition ofiInvestments in stock		(930)	(513.570)
Acquisition of other investments		0	(2)
NET CASH USED IN INVESTMENT ACTIVITIES		**$ (930)**	**$ (500.759)**
CASH FLOWS IN FINANCING ACTIVITIES:			
Cash received from emission of shares		0	522.500
Dividends paid	(15)	(163.402)	(150.226)
Financial obligations acquired (paid)		7	(445)
NET CASH FROM (USED IN) FINANCING ACTIVITIES		**$ (163.395)**	**$ 371.829**
Decrease in cash and cash equivalents		(19)	(131)
Cash and cash equivalents at year opening		94	225
CASH AND CASH EQUIVALENTS AT YEAR CLOSING		**$ 75**	**$ 94**

The notes are an integral part of the Financial Statements.

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

Carlos Enrique Piedrahíta Arocha
CEO
(See attached certification)

Juber Ernesto Carrión
Fiscal Auditor
Professional Card No. 86122-T
Member of PricewaterhouseCoopers Ltda.
(See attached report)

NOTES TO THE FINANCIAL STATEMENTS

Years ended as of December 31, 2012 and 2011 (Values expressed in COP Millions, except for values in USD, the exchange rate and the number of shares)

NOTE 1
Economic entity

Grupo Nutresa S.A. is a Colombian stock company (*Sociedad Anónima, S.A*), incorporated pursuant with Colombian Laws on April 12, 1920. The Company term expires on April 12, 2050; its main domicile is in the city of Medellín.
The Company's business purpose consists of investing in or applying resources or funds to companies organized in any form provided by law, either at home or abroad, and whose business purpose is aimed at the exploitation of any legal economic activity, or in tangible or intangible assets for the purpose of safeguarding its capital.

2012 Acquisitions
American Franchising Corp.

On October 31, 2012, *Grupo Nutresa S.A.* entered into a binding agreement to acquire 100% of the shares of the Panamanian company American Franchising Corp. (AFC) for the amount of USD 110 Million. The agreement was finalized on December 26, 2012 through the signing of the contract to acquire the shares.

In addition, it was agreed to turn over USD 2.5 Million to establish a trust to ensure the fulfillment of the obligations by the sellers and a further amount of USD 2.458.521 as a price adjustment, as agreed upon in the contract to acquire the shares.

American Franchising Corp. Is a company dedicated to the ice cream business in Central America; it has a dominant position throughout the region, especially in Costa Rica, where it has a market share exceeding 85% in the ice cream channel.

The company began operations in 1968 and currently has two production plants, one in Costa Rica and the other in Guatemala. It has 138 points of sales in Central America and two in the United States. It has developed a strong concept of ice cream parlors and cafes in the countries where it operates, providing high value–added products, marketed under its own brands (*POPS, Café Entrepans* and *FRIZZ*), which are highly recognized throughout the region.

American Franchising Corp. develops its activities through the following 15 subsidiaries

1. Industrias Lácteas de Costa Rica S.A.
2. Compañía Americana de Helados S.A.
3. Fransouno S.A.
4. Helados H D S.A.
5. Americana de Alimentos Ameral S.A.
6. Inmobiliaria Nevada S.A.
7. Heladera Guatemalteca S.A.
8. Distribuidora POPS S.A.
9. Nevada Guatemalteca S.A.
10. Guate-Pops S.A.
11. Industrias Lácteas Nicaragua S.A.
12. Americana de Alimentos S.A. de C.V.
13. POPS One LLC
14. POPS Two LLC
15. Costa Rica's Creamery, LLC.

NOTE 2
Presentation of bases and summary of the principle accounting policies and practices

For its accounting records and the preparation of its financial statements, the Company observes accounting principles generally accepted in Colombia, which are prescribed by legal provisions and by the Office of the Colombian Financial Superintendent.

The principal accounting policies and practices implemented in the Company pursuant to the above are described next:

2.1 CONSOLIDATION

Companies in Colombia must prepare non–consolidated, general–purpose financial statements, which are presented to the Assembly of Shareholders and which serve as a basis for the distribution of dividends and other appropriations. In addition, the Commerce Code requires the preparation of consolidated, general–purpose financial statements, which are also presented to the Assembly of Shareholders for their approval, but which do not serve as a basis for the distribution and appropriation of profits. The financial statements that accompany these notes do not consolidate the assets, liabilities, equity or results of the subsidiary companies. The investments in these companies are recorded using the holding method as indicated further on.

2.2 FOREIGN EXCHANGE ACCOUNTS

Foreign exchange transactions are posted at the applicable exchange rate effective on the date of the respective transaction. For the monetary conversion of United States Dollars to Colombian Pesos, at the close of each fiscal period the balances of the accounts receivable and accounts payable are adjusted at the representative market rate (*Tasa de Cambio Representativo del Mercado,* TRM) published by the official agency in charge of certifying that information. For accounts receivable balances in other currencies (in terms of legal tender), the exchange differences are posted in the Profit and Loss Statement as financial income. For accounts payable, only the exchange differences not attributable to asset acquisitions are posted in the Profit and Loss Statement. Exchange differences that occur from the time acquisition assets are under construction or installation until they are ready to be used are attributable to post in asset acquisition costs.

Pursuant to Regulatory Decree 4918, dated December 26, 2007, the exchange difference from variable–income assets in subsidiary companies abroad must be restated in the legal tender, using the effective exchange rate certified by the Office of the Colombian Finance Superintendent and must be recorded in the Holding Method Surplus account as a greater or lesser value of the equity, as the case may be.

When the investment is effectively carried out, the adjustments for exchange differences that have been recorded in Equity will affect the results of the fiscal period.

The rights and obligations in financial derivatives made to acquire hedging assets or liabilities in foreign currency are posted in the Balance Sheet accounts and are adjusted to the representative market rate by being credited or debited to the Profit and Loss Statement. Option contract and futures contract bonuses are debited or credited to the Profit and Loss Statement of the fiscal period, as the case may be.

2.3 TRADABLE INVESTMENTS AND PERMANENT INVESTMENTS

The provisions of the Colombian Financial Superintendent, according to External Circular No. 11 of 1998, require that the investments the Company owns be classified according to the intention of their implementation by the administration as tradable investments, if it intends to keep them for less than three (3) years, and permanent investments, if it intends to keep them for more than three (3) years. They are also classified in accordance with the returns they generate in fixed–income investments and variable–income investments. Once classified, the investments are recorded and they appreciate as follows:

Fixed–income investments (debt rights), regardless of their classification as tradable or permanent, are initially recorded at their acquisition cost and are appreciated monthly at their realization value. The resulting adjustment is reflected in the Profit and Loss Statement.

Variable–income investments in shares or capital holdings, in entities that are not controlled by the Company, are recorded at cost and appreciate at their realization value. For permanent investments, the resulting adjustment, whether it is positive or negative, is recorded in the item valuation in the assets account with a credit or debit to the valuation surplus in Changes in the Shareholders' Equity Statement, as the case may be. For tradable investments, the resulting adjustment, whether it is positive or negative, affects the last cost recorded for the investment; the income or expense generated is registered in the Profit and Loss Statement. For shares listed in the stock market, the market value is determined thus: for high marketability shares, based on the average of the last ten (10) days of quotations; for average marketability shares, based on the average of the last ninety (90) days of quotations; and for low marketability shares or shares that are not listed in the stock market, on their intrinsic value.

Pursuant to Joint Circulars 006 and 11 of 2005, issued by the Colombian Superintendent of Societies and the Financial Superintendent, respectively, investments in subsidiary companies in which more than 50% of the capital belongs to the Parent Company, either directly or through an intermediary or with the assistance of its subsidiary companies, among other criteria, are posted using the equity holding method applied forward as of January 1, 1994. Using this method, investments are initially recorded at cost and later adjusted, with a credit or debit to the Profit and Loss Statement, as the case may be, to acknowledge the holdings in the profits or losses in the subsidiary companies as of January 1, 1994, after eliminating unrealized profits between the subsidiary companies and the Parent Company. The cash distribution of the profits of these companies, obtained before December 31, 1993, is recorded as income and, after that date, it is recorded as a lesser value of the investment. In addition to the above, the proportional holdings are also recorded as a greater or lesser value of the investments posted in variations in other equity accounts of the subsidiary companies other than the Profit and Loss Statement of the fiscal period, with a credit or debit to the surplus account through the holding method in the equity.

2.4 INTANGIBLE ASSETS

Brands and Rights

Intangible assets include direct costs incurred in acquiring commercial brands, as well as the distribution rights acknowledged, based on a technical study prepared by Company personnel. These costs are amortized in the lesser period of time between the estimated time of their exploitation and the duration of their legal or contractual term.

2.5 TAXES, LEVIES AND RATES

This heading includes the value of the mandatory, general nature taxation in favor of the State, for which the Company is responsible, for the concept of private liquidations that are determined on the taxable bases for the fiscal period.

Income tax is determined based on estimations.

2.6 ACKNOWLEDGEMENT OF INCOME, COSTS AND EXPENSES

Income received from the holding method is acknowledged on a quarterly basis, according to the results of the subsidiary companies.

Generally speaking, income, costs and expenses are recorded in the Profit and Loss Statement on an accrual basis.

2.7 LABOR OBLIGATIONS

Labor obligations are adjusted at the end of each fiscal period, based on the work contracts and the legal labor regulations in force.

2.8 DEBTOR MEMORANDUM ACCOUNTS AND CREDITOR MEMORANDUM ACCOUNTS

2.8.1 DEBTOR MEMORANDUM ACCOUNTS

Events or circumstances from which rights may be generated that affect the financial structure of the Company and accounts for effects of the internal control of assets are recorded in Debtor Memorandum Accounts. This item also includes accounts used to reconcile differences between accounting records of an active nature and tax returns.

2.8.2 CREDITOR MEMORANDUM ACCOUNTS

Commitments or contracts relating to possible obligations that may affect the financial structure of the Company are recorded in Creditor Memorandum Accounts. This item also includes accounts for effects of the internal control of liabilities and equity, as well as accounts used to reconcile the differences between accounting records of a credit nature and tax returns.

2.9 NET PROFIT PER SHARE

Net profit per share is calculated on 460.123.458 outstanding shares.

2.10 CASH AND CASH EQUIVALENTS

To prepare the Cash Flow Statement, the simultaneous (funding) operations are considered cash equivalents, when they expire in less than three (3) months time.

2.11 RELATIVE IMPORTANCE OR MATERIAL SIGNIFICANCE

The Financial Statements and the Notes to the Financial Statements disclose in an integral manner the economic events that, in the years ending on December 31 2012 and 2011, affected the financial situation of the Company, its profits and losses and cash flows, as well as the changes in the financial position and in the shareholders' equity. There are no undisclosed events of this nature that could significantly alter the economic decisions of the users of the information mentioned.

For the purpose of disclosure, relative importance was determined using a base of five percent (5%) of current and non–current assets, current and non–current liabilities, equity, the results of the fiscal period and each general ledger account, considered individually.

2.12 COMPARABILITY

Certain reclassifications have been incorporated into the 2011 Financial Statements to facilitate comparison with the 2012 Financial Statements.

NOTE 3

Cash and cash equivalents

The balance as of December 31 included:

	2012	2011
Cash	$ 13	$ 10
Banks and savings accounts	13	74
Miscellaneous	49	10
TOTAL	**$ 75**	**$ 94**

The balance of these operations, except for cash, was placed at an average rate of 4.61% effective annually (E. A.) in 2012 and 4.65% E. A. in 2011.

NOTE 4
Debtor accounts

The balance as of December 31 included:

	2012		2011
Economically bound companies (Note 19)	$ 610	$	1.213
Dividends receivable (1)	8.803		8.296
Deposits	45		45
Advances and advanced payments	1		2
Net advances of tax payments	5.456		1.052
Loans to individuals	2		21
Accounts receivable from employees	0		3
Others	5		30
TOTAL DEBTOR ACCOUNTS (SHORT TERM)	**$ 14.922**	**$**	**10.662**

(1) This corresponds to pending declared dividends to be received by investments in non–subsidiary companies as of December 31, 2012 and 2011, with maturity between January and March 2013 and 2012, respectively.

NOTE 5
Net permanent investments

The balance as of December 31 included:

	Cost 2012	Cost 2011	Valuation 2012
Investments in economically bound companies	$ 3.383.937	$ 3.190.878	$ 93.134
Investments in other companies	364.630	364.499	3.640.562
Trust rights (1)	747	523	0
Other investments	127	127	0
Investment allowance	(1.096)	(1.132)	0
TOTAL PERMANENT INVESTMENTS	**$ 3.748.345**	**$ 3.554.895**	**$ 3.733.696**

(1) Corresponds to *Fideicomiso Grupo Nutresa S.A.* (*Grupo Nutresa S.A.* Trust).

Duly authorized by the Colombian Financial Superintendent, in August 2009 through *Fideicomiso Grupo Nutresa S.A.*, the Company issued 500.000.000 ordinary bonds at a par value of COP 1.000 per bond, which were placed in their entirety on the market and have a "AAA" (Triple A) rating by Fitch Ratings Colombia S.A., ratified in 2012 and 2011. The bonds are endorsed 100% by the Company.

As of December 31, 2012 and 2011, the bonds are distributed thus:

SERIES	CAPITAL	CPI RATE +	MODE
C5	98.541	4,1900%	T.V
C7	131.815	4,9600%	T.V
C10	135.482	5,3300%	T.V
C12	134.162	5,5900%	T.V
TOTAL	**500.000**		

Investment in Economically Bound Companies

COMPANY	Number of Common Shares	Holdings %	Cost 2012	Cost 2011	Valuation 2012	Dividends Received2012
Cía. Nacional de Chocolates S.A.S	496.886	100%	$ 705.331	$ 668.137	0	$ 26.917
Compañía de Galletas Noel S.A.S	119.000.000	100%	804.366	778.067	26.510	26.918
Tropical Coffee Company S.A.S	1.000.000	100%	26.400	24.975	494	
Ind. de Alimentos Zenú S.A.S	2.496.089	100%	286.811	298.375	0	10.154
Ind. Colombiana de Café S.A.S	2.947.415	100%	515.157	498.313	657	13.800
Litoempaques S.A.S	400.000	100%	20.994	20.760	0	
Molino Santa Marta S.A.S	30.316.584	100%	53.355	35.804	20.850	
Novaventa S.A.S (2)	1.479.701.695	92,50%	46.462	36.652	0	4.824
Pastas Comarrico S.A.S	400.000	100%	18.979	17.064	3.561	
Productos Alimenticios Doria S.A.S	68.634.332	100%	106.033	98.626	7.415	6.863
Alimentos Cárnicos S.A.S	4.736.893.458	100%	413.113	344.516	0	21.601
Meals Mercadeo de Alimentos de Colombia S.A.S	227.000.000	100%	250.738	248.205	5.744	13.393
Compañía Nacional de Chocolates de Perú S.A.	6.870	0,00%	5	5	1	
La Recetta S.A.S	350.000	70%	4.492	4.355	0	
Servicios Nutresa S.A.S	10.000	100%	715	541	99	
Setas Colombianas S.A	1.143.337.730	94,79%	41.715	40.114	15.853	8.003
Alimentos Cárnicos Zona Franca S.A.S	10.000	100%	800	0	5.294	
Gestion Cargo Zona Franca S.A.S	5.000	100%	17.994	11.805	0	
Comercial Nutresa S.A.S	2.724.624	100%	37.399	36.713	0	
Industrias Aliadas S.A.S.	1.780.680	83,33%	33.078	27.851	6.656	
Subtotal			**$ 3.383.937**	**$ 3.190.878**	**$ 93.134**	**$ 132.473**
Investment Allowance			(307)	(569)		
TOTAL INVESTMENTS			**$ 3.383.630**	**$ 3.190.309**	**$ 93.134**	**$ 132.473**

A summary of the effect of applying the holding method in the structure of the *Grupo Nutresa S.A.* financial statements appears below:

	2012	2011
Increase in assets		
Investments		
Holding method	$ 324.993	$ 370.029
Dividends received	(132.473)	(43.145)
Movement in investments	192.520	326.884
Valuation	(448)	(1.469)
TOTAL INCREASE IN ASSETS	**$ 192.072**	**$ 325.415**
Increase in equity:		
Results	$ 312.990	$ 223.644
Holding method profit	312.729	223.393
Net investment allowance recovery	261	251
Capital surplus	12.003	146.385
Valuation surplus	(448)	(1.469)
TOTAL INCREASE IN EQUITY	**$ 324.545**	**$ 368.560**

The subsidiary companies are listed below with their business purpose:

Industria Colombiana de Café S.A.S. "Colcafé S.A.S.":
This Colombian company was incorporated on June 1, 1950, as a stock company (*Sociedad Anónima*) and unanimously transformed by the Assembly of Shareholders into a Simplified Joint Stock Company (*Sociedad por Acciones Simplificada, S.A.S.*) on March 18, 2009. It has an indefinite term and its main domicile is in Medellín, the Provincial Department of Antioquia, Colombia.

Its business purpose is to assemble and exploit coffee industry and food industry activities in general, and those of directly related businesses, as well as conduct any other legal economic activity.

Compañía Nacional de Chocolates S.A.S.:
This Colombian company was incorporated on October 8, 2002, as a stock company and unanimously transformed by the Assembly of Shareholders into a Simplified Joint Stock Company on March 18, 2009. It has an indefinite term and its main domicile in in Medellín, the Provincial Department of Antioquia, Colombia.

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

Tropical Coffee Company S.A.S.:
This Colombian company was incorporated on March 31, 1950, as a stock company and unanimously transformed by the Assembly of Shareholders into a Simplified Joint Stock Company on March 18, 2009. It has an indefinite term and its main domicile is in Medellín, the Provincial Department of Antioquia, Colombia.

Its business purpose is to assemble and exploit coffee industry and food industry activities in general, and to conduct directly related business activities. In addition, it can conduct any other legal economic activity.

Productos Alimenticios Doria S.A.S.:
This Colombian company was incorporated on November 18, 1966, as a stock company and unanimously transformed by the Assembly of Shareholders into a Simplified Joint Stock Company on March 13, 2009. It has an indefinite term and its main domicile is in Mosquera, the Provincial Department of Cundinamarca, Colombia.

Its business purpose is to exploit food industry activities in general and, in particular, flours and prepared foods made from cereals and their derivatives, pastas among others, and conduct businesses directly related to this industry. It may also distribute and, in general, market food products, raw materials and elements used in the food industry, and the manufacture of flours and preparations made from cereals and their derivatives. It may also invest in or apply resources or have holdings under any legal associative form, and conduct any other legal economic activity.

Industria de Alimentos Zenú S.A.S.:
This Colombian company was incorporated on August 20, 2002, as a stock company and unanimously transformed by the Assembly of Shareholders into a Simplified Joint Stock Company on March 17, 2009. It has an indefinite term and its main domicile is in Medellín, the Provincial Department of Antioquia, Colombia.

Its business purpose is to conduct food industry activities in general, as well as for those substances used as ingredients in foods and, in particular, meat, including the processing and utilization of by–products from beef, pork, sheep, fish and other animal species; the slaughter and preparation of large or small livestock and the purchase, sale, transport, distribution, import and export of meat. It may also process meat and prepare sausages, soups, extracts, fats, canned meat, spices, condiments, dairy products, cottage cheese, eggs and food substances for animals; the distribution, sale, importation, exportation and marketing in general of the elements mentioned above in their natural state or industrially prepared by the company or by others. In addition, it may distribute, sell and trade in general products for popular consumption susceptible to being distributed through the same channels. It may also invest in or apply resources or have holdings under any associative forms authorized by law and conduct any other legal economic activity.

Compañía de Galletas Noel S.A.S.:
This Colombian company was incorporated on August 13, 1998, as a stock company and unanimously transformed by the Assembly of Shareholders into a Simplified Joint Stock Company on March 17, 2009. It has an indefinite term and its main domicile is in Medellín, the Provincial Department of Antioquia, Colombia.

Its business purpose is to exploit food industry activities in general and, in particular, the production or manufacture of those foods for human consumption and the substances used as ingredients in food, such as prepared cereals, flours, starches, tea, coffee, sago, chocolate, sugar, salt, honey, bakery products, cookie and cracker products and pastry products. It may also distribute, sell and trade in general the products mentioned in the previous sentence produced by the company or other manufacturers, and the raw materials, materials or supplies used in the food production industry, as well as distribute, sell and trade in general products for popular consumption susceptible to being distributed through the same channels. It may also invest in or apply resources or have holdings under any associative forms authorized by law and conduct any other legal economic activity.

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

Its business purpose is to conduct any legal activity.

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

Gestión Cargo Zona Franca S.A.S.:
This Colombian company was incorporated on October 10, 2008, as a stock company and unanimously transformed by the Assembly of Shareholders into a Simplified Joint Stock Com-

pany on March 16, 2009. It has an indefinite term and its main domicile is in Cartagena, the Provincial Department of Bolívar, Colombia.

The company is an industrial user of free–trade zone goods and services; its business purpose is, principally, to develop the following activities in the free–trade zone: provide management services to purchase, import and export food products and raw materials used in the food industry in general, for third parties. Likewise, it may reprocess, repack, assemble, label, pack, assemble for third parties, classify, control quality, inspect, reclassify, clean, freeze and thaw the mentioned articles. It may also provide coordination and logistics control services of imported products and raw materials for third parties, classify food and raw material products, control inventories and customs processes, along with loading, unloading and picking the products and raw materials indicated. It may do laboratory tests and analyses on food products and raw materials for food, as well as interpret their results.

Alimentos Cárnicos Zona Franca Santafé S.A.S.:

This Colombian company was incorporated on October 10, 2008, as a stock company and unanimously transformed by the Assembly of Shareholders into a Simplified Joint Stock Company on March 16, 2009. It has an indefinite term and its main domicile is in Cota, the Provincial Department of Cundinamarca, Colombia.

The company is an industrial user of free–trade zone goods and services; its business purpose is, principally, to develop the following activities in the free–trade zone: the processing, manufacture, purchase and sale of food products and the sale of by–products and waste derived from the manufacturing processes; to provide manufacturing services of food products to third parties; to provide management services to purchase supplies and raw materials used in the food manufacturing industry; to provide services to reprocess, repack, assemble, label, pack, assemble for third parties, classify, control quality, inspect, reclassify, clean, freeze and thaw the mentioned articles. It may also execute coordination and logistics control services of food product inventories and raw materials for third parties, classify food products and raw materials, load, unload and pick the products and raw materials indicated. It may contract third–party transportation services for itself and for others, as well as provide invoicing and food–product dispatch services, and conduct any other legal economic activity.

Alimentos Cárnicos S.A.S.:

This Colombian company was incorporated on August 20, 1968, as a stock company and unanimously transformed by the Assembly of Shareholders into a Simplified Joint Stock Company on March 17, 2009. It has an indefinite term and its main domicile is in Yumbo, the Provincial Department of Valle del Cauca, Colombia.

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

Molinos Santa Marta S.A.S.:

This Colombian company was incorporated on April 18, 1980, as a stock company and unanimously transformed by the Assembly of Shareholders into a Simplified Joint Stock Company on March 18, 2009. It has an indefinite term and its main domicile is in Medellín, the Provincial Department of Antioquia, Colombia.

Its business purpose is to mill grain, as well as develop the businesses and activities that are directly related to the milling industry and conduct any other legal economic activity.

Litoempaques S.A.S.:

This Colombian company was incorporated on March 16, 1995, as a stock company and unanimously transformed by the Assembly of Shareholders into a Simplified Joint Stock Company on March 18, 2009. It has an indefinite term and its main domicile is in Medellín, the Provincial Department of Antioquia, Colombia.

Its business purpose is to exploit the metallurgical and packing industry activities in general and, in particular, to produce or manufacture and/or assemble, and/or market bottles, lids and packaging made of any material and for any use. It may also do lithography work in metal or in any other material for all kinds of industries; to sell, distribute, import, export and trade all of the above elements in general, whether produced by the company or by other manufacturers, as well as the raw materials or supplies used in the metallurgical industry and packing industry. It may also conduct any other legal economic activity.

Pastas Comarrico S.A.S.:

This Colombian company was incorporated on November 30, 2004, as a stock company and unanimously transformed by the Assembly of Shareholders into a Simplified Joint Stock Company on March 18, 2009. It has an indefinite term and its main domicile is in Medellin, the Provincial Department of Antioquia, Colombia.

Its business purpose is to conduct food industry activities in general and, in particular, to manufacture and/or commercialize flours, pastas, prepared food made from cereals and their derivatives, as well as conduct business activities directly related to this industry; and to conduct any other legal economic activity.

Novaventa S.A.S.:

This Colombian company was incorporated on November 30, 2004, as a stock company and unanimously transformed by the Assembly of Shareholders into a Simplified Joint Stock Company on March 18, 2009. It has an indefinite term and its main domicile is in Medellin, the Provincial Department of Antioquia, Colombia.

Its business purpose is to conduct food industry activities in general and, in particular, to manufacture and/or commercialize flours, pastas, prepared food made from cereals and their derivatives, as well as conduct business activities directly related to this industry; and to conduct any other legal economic activity.

Meals Mercadeo de Alimentos de Colombia S.A.S.:

This Colombian company was incorporated on January 29, 1964, as a stock company and unanimously transformed by the Assembly of Shareholders into a Simplified Joint Stock Company on March 17, 2009. It has an indefinite term and its main domicile is in Bogotá, the Provincial Department of Cundinamarca, Colombia.

Its business purpose is to exploit the food industry in general and, in particular, ice cream, dairy beverages, desserts, yoghurts, juices, refreshments, and fruit–based prepared food; to conduct business activities directly related to this industry. In general, it may distribute, sell and trade the products mentioned above, produced by the company or by other manufacturers, as well as the raw materials, materials or supplies used in the industry to produce food, as well as distribute, sell and trade in general popular products that are susceptible to being distributed through the same channels. It may also invest in or apply resources or have holdings under any of the associative forms authorized by law, and conduct any other legal economic activity.

Servicios Nutresa S.A.S.:

This Colombian company was incorporated on April 21, 2006, as a stock company and unanimously transformed by the Assembly of Shareholders into a Simplified Joint Stock Company on March 17, 2009. It has an indefinite term and its main domicile is in Medellín, the Provincial Department of Antioquia, Colombia.

Its business purpose is to provide in Colombia and/or abroad specialized business services in areas such as risk management and insurance; legal, auditing and control assistance, accounting, taxes, negotiation in purchases, financial planning, human–resource support and development processes, administrative services, informational technology, treasury matters and any other service that can create value for its clients. In addition, it may invest in or apply resources or have holdings under any of the associative forms authorized by law, and conduct any other legal economic activity.

On April 1, 2011, the statutory reform, in which the name of the company was changed from *Servicios Nacional de Chocolates S.A.S.* to *Servicios Nutresa S.A.S.*, was registered in the Medellín Chamber of Commerce.

La Recetta Soluciones Gastronómicas Integradas S.A.S.:

This Colombian company was incorporated on April 11, 2008, as a stock company and unanimously transformed by the Assembly of Shareholders into a Simplified Joint Stock Company on March 25, 2010. The company term will expire on December 31, 2050, and its main domicile is in Cota, the Provincial Department of Cundinamarca, Colombia.

Its business purpose is to distribute products of any nature through the institutional channel on its own behalf or for third parties; these products include mass–consumption foods and products, with its own brands or with third–party brands, as well as packaging and packing the products.

Compañía Nacional de Chocolates de Perú S.A.:

This company was incorporated on November 13, 2006, for an indefinite term. Its main domicile is in Lima, Peru.

Its business purpose is to conduct industrial and agro–industrial activities by manufacturing and commercializing all kinds of beverages and foods, as well as all types of farm and livestock exploitation. It may also devote itself to activities to sell, commercialize, distribute, export and import goods in general, and, in particular, it is dedicated to the industry of cookies, chocolates and other sweets.

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

Industrias Aliadas S.A.S.:

This Colombian company was incorporated on September 21, 1988, through Public Deed Number 4349, registered in the Office of the Second Notary Public of Ibagué. Its term is until September 21, 2038, and its main domicile is in Ibagué, the Provincial Department of Tolima, Colombia.

On April 28, 2011, Memorandum Number 29, whereby the company was transformed in a Simplified Joint Stock Company, was registered in the Ibagué Chamber of Commerce.

Its business purpose is to purchase, sell, dry, sort and export coffee. In general, the company conducts all activities related to the coffee industry.

Setas Colombianas S.A.:

This Colombian company was incorporated on December 16, 1991. Its term is until December 16, 2041, and its main domicile is in Medellín, the Provincial Department of Antioquia, Colombia.

Its business purpose is to exploit, cultivate, produce, process, distribute and commercialize mushrooms and, in general, food industry products for human consumption and food for animals, and conduct business activities directly related to the food industry. It may also invest in livestock, farming and industrial units or businesses to process, exploit or distribute products for human consumption and food for animals.

The figures presented below have been taken from the financial statements of the subsidiary companies as of December 31; they have been certified and audited subject to the prescribed legal norms:

Company	2012							
	Social Capital	Capital Surplus	Reserves	Equity Reval	Profit (Loss)	Previous Yr. Loss	Valuation Surplus	Total Equity
Industria Colombiana de Café S.A.S. Colcafé	22	138.657	95.451	3.135	28.288	0	250.261	515.814
Compañía Nacional de Chocolates S.A.S.	25	187.363	190.352	11.020	94.183	0	229.328	712.271
Compañía de Galletas Noel S.A.S.	119.000	277.014	159.621	0	52.854	0	222.387	830.876
Industria de Alimentos Zenú S.A.S.	250	(5.588)	126.739	64.726	869	0	99.565	286.561
Productos Alimenticios Doria S.A.S.	6.853	0	12.493	24.668	10.956	0	58.478	113.448
Molinos Santa Marta S.A.S.	30	6.721	10.024	18.912	15.239	(1.910)	25.189	74.205
Alimentos Cárnicos S.A.S.	47.376	43.801	176.775	0	75.211	0	69.949	413.112
Tropical Coffee S.A.S.	4.891	0	3.363	21	1.123	(1.296)	18.792	26.894
Litoempaques S.A.S.	4.000	0	2.082	6.141	244	(35)	8.562	20.994
Pastas Comarrico S.A.S.	400	6.951	3.818	0	426	0	10.945	22.540
Novaventa S.A.S	1.600	3.588	15.135	6.576	2.407	0	20.923	50.229
Compañía Nacional de Chocolates de Perú S.A.	162.822	0	3.349	0	4.386	17.587	0	188.144
La Recetta Soluciones Gastronómicas Integradas S.A.S.	500	1.820	2.751	0	202	0	706	5.979
Meals Mercadeo de Alimentos de Colombia S.A.S.	22.700	127.597	29.023	0	13.208	0	63.955	256.483
Servicios Nutresa S.A.S.	100	0	494	2	172	0	47	815
Setas Colombianas S.A.	7.237	3.800	7.372	31.654	6.901	(29.906)	33.672	60.730
Alimentos Cárnicos Zona Franca Santa Fe S.A.S.	10	795	0	0	0	(769)	6.057	6.093
Gestión Cargo Zona Franca S.A.S.	5	0	11.802	0	6.188	0	0	17.995
Comercial Nutresa S.A.S	2.725	23.785	10.203	0	506	0	179	37.398
Industrias Aliadas S.A.S	13.959	1.362	1.261	6.506	6.660	3.743	26.111	59.602

2011

Company	Social Capital	Capital Surplus	Reserves	Equity Reval	Profit (Loss)	Previous Yr. Loss	Valuation Surplus	Total Equity
Industria Colombiana de Café S.A.S. Colcafé	22	138.595	88.156	7.841	21.095	0	242.620	498.329
Compañía Nacional de Chocolates S.A.S.	25	194.755	179.703	18.821	37.566	0	237.267	668.137
Compañía de Galletas Noel S.A.S.	119.000	281.296	154.540	7.901	31.999	0	215.849	810.485
Industria de Alimentos Zenú S.A.S.	250	(3.150)	123.042	73.660	13.851	0	90.320	297.973
Productos Alimenticios Doria S.A.S.	6.853	0	14.933	24.668	4.424	0	55.182	106.060
Molinos Santa Marta S.A.S.	30	6.721	4.502	20.169	5.522T	(1.910)	21.604	56.638
Alimentos Cárnicos S.A.S.	47.376	44.405	131.936	0	66.440	0	54.359	344.516
Tropical Coffee S.A.S.	4.891	0	3.363	382	(321)	(975)	18.130	25.470
Litoempaques S.A.S.	4.000	0	2.082	6.726	(35)	0	8.732	21.505
Pastas Comarrico S.A.S.	400	6.951	2.589	0	1.230	0	9.454	20.624
Novaventa S.A.S	1.600	3.588	18.367	8.215	1.983	0	5.872	39.625
Compañía Nacional de Chocolates de Perú S.A.	169.204	0	3.329	0	8.852	9.498	0	190.883
La Recetta Soluciones Gastronómicas Integradas S.A.S.	500	1.820	1.118	0	1.634	0	336	5.408
Meals Mercadeo de Alimentos de Colombia S.A.S.	22.700	127.597	31.444	0	10.972	0	60.750	253.463
Servicios Nutresa S.A.S.	100	0	163	0	330	0	44	639
Setas Colombianas S.A.	7.237	3.800	10.888	31.656	4.928	(29.906)	30.313	58.916
Alimentos Cárnicos Zona Franca Santa Fe S.A.S.	5	0	0	0	(726)	(42)	0	(763)
Gestión Cargo Zona Franca S.A.S.	5	0	4.876	0	7.014	0	0	11.805
Comercial Nutresa S.A.S	2.725	23.785	661	0	9.543	0	0	36.714
Industrias Aliadas S.A.S	13.959	1.362	551	6.506	7.104	(9.650)	24.904	51.736

Economically bound companies in which *Grupo Nutresa S.A.* has no direct participation.

ISSUER COMPANY / COMPANY SHAREHOLDER	Compañía Nacional de Chocolates S.A.S	Compañía de Galletas Noel S.A.S	Colcafe S.A.S	Compañía Nacional de Chocolates DCR S.A.	Industria de Alimentos Zenu S.A.S	Compañía de Galletas Pozuelo DCR S.A	Compañía Nacional de Chocolates de Perú S.A.	Alimentos Cárnicos	Alimentos Cárnicos Panamá S.A.	American Franchising Corp. (AFC)	ECONOMIC ACTIVITY
Alimentos Cárnicos de Panamá S.A.					100,00%						Production
Cordialsa Noel Venezuela S.A.	50,00%	50,00%									Merchandising
Industrias Alimenticias Hermo de Venezuela						85,77%			14,23%		Production
Corp.Distrib. de Alimentos S.A (Cordialsa)	50,00%	50,00%									Merchandising
Cordialsa Boricua Empaque, Inc.	24,09%	75,91%									Merchandising
Cordialsa Usa, Inc.	10,28%	74,66%	15,06%								Merchandising
Compañía Nacional de Chocolates DCR, S.A.	100,00%										Explotación de la ind. de alimentos
Cordialsa Costa Rica, S.A.	50,00%	50,00%									Merchandising
Comercial Pozuelo Guatemala S.A.				0,0004%		99,9996%					Merchandising
Comercial Pozuelo El Salvador S.A. de C.V.						99,997%			0,003%		Merchandising
Compañía de Galletas Pozuelo DCR S.A.	35,75%	62,84%			1,41%						Food Industry Exploitation
Comercial Pozuelo de Panamá S.A.						100,00%					Production
Comercial Pozuelo Nicaragua S.A.				0,0799%		99,9201%					Merchandising
Nutresa S.A. de C.V.	10,22%		40,13%		14,00%		35,65%				Production
Serer S.A. de C.V.			44,70%		15,59%		39,71%				Production
Fehr Food Inc.		100,00%									Inversionista
Compañía de Galletas Pozuelo de República Dominicana S.A.						100,00%					Merchandising
Helados Bon									81,18%		Production
American Franchising Corp. (AFC)								100%			Inversionista
Industrias Lacteas de Costa Rica S.A.										100%	Production
Cía Americana de Helados S.A.										100%	Merchandising
Fransouno S.A.										100%	Merchandising
Helados H.D. S.A.										100%	Merchandising
Americana de Alimentos Ameral S.A.										100%	Merchandising
Inmobiliaria Nevada S.A.										100%	Inmobiliaria
Heladera Guatemalteca S.A.										100%	Production
Distribuidora POPS S.A.										100%	Merchandising
Nevada Guatemalteca S.A.										100%	Inmobiliaria
Guate-Pops S.A.										100%	Production
Industrias Lacteas Nicaragua S.A.										100%	Merchandising
Americana de Alimentos S.A. de C.V.										100%	Merchandising
POPS One LLC										98%	Merchandising
POPS Two LLC										98%	Merchandising
Costa Rica´s Creamery LLC.										100%	Merchandising

INVESTMENTS IN OTHER COMPANIES

COMPANY	Number of Common Stock	Number of Outstanding Shares	Intrinsic Value or Market Value per Share	Date of Valuation	Holdings %	Cost 2012	Provision	Valuat. (Devaluation) 2012	Dividends Received 2012
Grupo de Inversiones Suramericana S.A.	59.387.803	575.372.223	38.000,00	28/12/2012	10,32%	$ 161.433		$ 2.095.303	$ 18.023
Grupo Argos S.A.	79.804.628	783.202.657	21.000,00	28/12/2012	10,19%	148.703		1.527.194	16.680
Bimbo de Colombia S.A.	2.324.630	5.811.576	30.182,07	30/11/2012	40,00%	52.986	(45)	17.221	0
Fondo Ganadero de Antioquia S.A.	52.526	43.321.254	1.631,14	30/09/2012	0,12%	88		(2)	0
Sociedad Central Ganadera S.A.(1)	50.267	279.859	43.493,25	31/10/2012	17,96%	1.155		1.031	402
Promotora de Proyectos S.A.	398.038	6.070.831	198,00	31/10/2012	6,56%	265	(1)	(185)	0
TOTAL NET PERMANENT INVESTMENTS						$ 364.630	$ (46)	$ 3.640.562	$ 35.105

(1) During 2012, 1,576 shares in *Sociedad Central Ganadera S.A.* were acquired

COMPANY	Number of Common Stock	Number of Outstanding Shares	Intrinsic Value or Market Value per Share	Date of Valuation	Holdings %	Cost 2011	Provision	Valuat. (Devaluation) 2012	Dividends Received 2011
Grupo de Inversiones Suramericana S.A.	59.387.803	575.372.223	31.100,00	30/12/2011	10,32%	$ 161.433		$ 1.685.527	$ 16.897
Grupo Argos S.A.	79.804.628	645.400.000	16.820,00	30/12/2011	12,37%	148.703		1.193.611	15.641
Bimbo de Colombia S.A.	2.324.630	5.811.576	25.174,58	30/11/2011	40,00%	52.986	(45)	5.581	0
Fondo Ganadero de Antioquia S.A.	52.526	43.321.254	1.566,89	30/09/2011	0,12%	88		(6)	0
Sociedad Central Ganadera S.A.(1)	48.691	279.859	42.249,71	30/11/2011	17,40%	1.025		1.032	228
Promotora de Proyectos S.A.	398.038	6.070.831	220,00	31/10/2011	6,56%	265	(1)	(176)	0
Carnes y derivados	0	0	0	0	0,00%	0		0	1
Cía. de Distribución y Transporte S.A.(2)	0	0	0	0	0,00%	0		0	665
TOTAL NET PERMANENT INVESTMENTS						**$ 364.499**	**$ (46)**	**$2.885.569**	**$ 33.432**

(1) During 2011, 910 shares in *Sociedad Central Ganadera S.A.* were acquired.
(2) In December 2011, 182,901 shares in *Compañía de Distribución y Transporte S.A.* were sold

NOTE 6

Memorandum Accounts

The balance as of December 31 included:

		2012		2011
Debtor Memorandum Accounts:				
Contingent Rights				
Assets and securities pledged as collateral	$	491.400	$	401.760
Subtotal	**$**	**491.400**	**$**	**401.760**
Fiscal Debtor Memorandum Accounts				
Investments	$	(5.053.417)	$	(4.098.029)
Intangible assets		110		110
Expenses		(3.110)		(11.389)
Fiscal losses to be compensated		621		783
Fiscal losses compensated		20.242		9.934
Excess presumptive income compensated		0		9.281
Subtotal	**$**	**(5.035.554)**	**$**	**(4.089.310)**
Other Control Debtor Memorandum Accounts				
Assets and securities in trust	$	152	$	152
Own plant and equipment completely depreciated		168		0
Adjustment for inflation of assets		611.978		611.979
Subtotal	**$**	**612.298**	**$**	**612.131**
TOTAL DEBTOR MEMORANDUM ACCOUNTS	**$**	**(3.931.856)**	**$**	**(3.075.419)**
Creditor Memorandum Accounts:				
Contingent Responsibilities				
Assets and securities received as collateral	$	(607)	$	(607)
Litigations and/or lawsuits		805		805
Credits		1.273.675		1.245.857
Labor		975		956
Other contingent responsibilities		725		725
Subtotal	**$**	**1.275.573**	**$**	**1.247.736**
Fiscal Creditor Memorandum Accounts				
Operating income		(327.259)		(257.437)
Control Creditor Memorandum Accounts				
Equity inflation adjustments		803.802		803.802
TOTAL CREDITOR MEMORANDUM ACCOUNTS	**$**	**1.752.116**	**$**	**1.794.101**

NOTE 7

Accounts Payable

The balance as of December 31 included:

	2012		2011	
Economically bound companies (Note 19)	$	18.592	$	15.120
Costs and expenses payable		575		668
Dividends payable		45.380		43.138
Withholdings and payroll		38		30
Withholdings at source		330		345
Others		10		8
TOTAL ACCOUNTS PAYABLE (SHORT TERM)	$	64.925	$	59.309
Others (1)		157		157
TOTAL ACCOUNTS PAYABLE (LONG TERM)	**$**	**157**	**$**	**157**

(1) We expect to pay the balance in 2021.

NOTE 8

Taxes, Levies and Rates

As of December 31, the taxes, levies and rates included:

	2012		2011	
Sales tax payable	$	158	$	82
Industry and trade tax		164		0
Equity tax (*)	$	335	$	503
Total		657		585
Minus non – current portion of equity tax		168		336
TOTAL SHORT TERM	**$**	**489**	**$**	**249**

(*) The maturity of the non – current portion of the equity tax is as follows:

Year	Value	
2014		168
TOTAL	**$**	**168**

INCOME TAX AND COMPLEMENTARY TAXES

Current tax dispositions applicable to the Company stipulate that:

a. Fiscal income is generally taxed at a rate of 33%, for the concept of income tax and complementary taxes, except for contributors that, by express disposition, handle special rates.
b. The taxable base to determine the income tax cannot be less than 3% of the net worth (shareholders' equity) on the last day of the immediately previous taxable fiscal period.
c. As of tax year 2007, for tax purposes, the system of integral inflation adjustments was eliminated; the windfall tax was reactivated for legal entities on the total taxable windfall obtained by taxpayers during the year. The sole applicable rate on taxable windfall earnings is 33%. Article 109 of Law 1607 of December 2012 established a new tax rate of 10% on taxable windfall earnings for companies, as of fiscal year 2013.
d. As of tax year 2007 and solely for tax purposes, taxpayers may annually adjust the cost of real estate and personal property that have the nature of fixed assets. The Colombian National Tax and Customs Directorate will set the adjustment percentage through a resolution.
e. As of December 31, 2012, the Company had no excess balances on ordinary presumptive income to be compensated.

   The Company presented fiscal losses to be compensated in the amount of COP 621 originated in 2005 and 2006. Pursuant to current tax regulations, the fiscal losses generated from 2003 to 2006 may be offset and/or fiscally adjusted, with the ordinary income of the following eight years, without exceeding 25% of the value of the loss annually, without prejudice to the presumptive income for the fiscal period. Losses originated as of tax year 2007 may be offset and/or fiscally adjusted, without any limit on the percentage, at any time, with ordinary income without prejudice to the presumptive income of the fiscal period. Company losses may not be transferred to the shareholders. Fiscal losses originating in revenue that do not constitute income or windfall earnings, and originated in costs and deductions that have no relation of causality with the generation of taxable income may not–under any circumstance–be offset with taxpayers' net income.

   It is important to mention that the compensation of tax losses or excess presumptive income may only be applied to the basic income tax and not to the equity income tax "CREE," as established in Tax Reform 1607 of December 2012.

The maturity of the fiscal losses is the following:

Date of Maturity	Fiscal Losses
2014	$ 8
2013	613
TOTAL	**$ 621**

f. Since 2004, taxpayers of income tax that has entered into operations with economically bound companies or related parties abroad and/or residents in countries deemed tax havens are required to determine their ordinary and extraordinary income, costs and deductions and assets and liabilities, for income tax and complementary tax purposes, considering the so–called market prices and profit margins for these operations.

   During 2012 and 2011, the Company did not enter into operations with economically bound companies or related parties abroad and/or residents in countries deemed tax havens. Therefore, it did not have to elaborate the transfer price study that regulations covering these operations require.
g. For 2013, Law 1607 of December 2012 reduces the income tax rate to 25% and creates the equity income tax (*impuesto sobre la renta para la equidad, CREE*) to be paid by assimilated companies and legal entities and taxpayers reporting income tax and complementary tax, which will have a rate of 9% for 2013, 2014 and 2015. Beginning in tax year 2016, this tax rate will be 8%. Except for some special deductions, as well as the offset of losses and excess presumptive income, benefits that are not applicable to CREE, the tax base will be the same tax base as that of the net income tax. Non–profit entities and companies classified as free–trade zone users will be exempt from the equity income tax CREE.
h. As indicated in Article 25 of Law 1607 of December 2012, as of July 1, 2013, legal entities and taxpayers of income tax and complementary taxes, corresponding to workers who earn, individually, up to ten (10) minimum monthly wages will be exempt from paying parafiscal contributions for *SENA* and *ICBF*. This exemption does not apply to those contributors who are not subject to the CREE tax.

   Below is the breakdown of the reconciliation between before–tax profits and remittance and the taxable income for the years ended on December 31:

	2.012	2.011
Profit before allowance for Income tax	$ 345.845	$ 256.109
Plus:		
Non–deductible expenses for taxes	1.240	430
Non–deductible expenses for various	667	407
Non–deductible provisions	263	233
Loss on holding method	0	360
Costs and expenses from previous fiscal periods	547	490
Dividends received due to holding method	132.473	43.145
Levy on financial movements	32	511
Expenses for emission of shares	0	9.524
TOTAL ITEMS THAT INCREASE THE NET TAXABLE INCOME	**$ 135.222**	**$ 55.100**
Minus:		
Untaxed income	0	1
Income using holding method	312.991	224.005
Dividends that do not constitute income	146.605	76.576
Repayment of costs and expenses from prior fiscal periods	135	0
Compensation for presumptive income losses and excesses	20.242	9.934
Investment sales cost	0	693
TOTAL ITEMS THAT DECREASE THE NET TAXABLE INCOME	**$ 479.973**	**$ 311.209**
Net income	1.094	0
Presumptive income	99	385
Net taxable income	1.094	385
Tax rate	33%	33%
Provision for income tax	$ 361	$ 127

The credit balance for income tax and complementary taxes as of December 31 was determined as follows:

	2.012	2.011
Allowance for income tax and current windfall earnings	$ 361	$ 127
Minus		
Auto–retentions and withholdings	5.118	827
Uncompensated credit balance	699	0
CREDIT BALANCE FOR INCOME TAX AND COMPLEMENTARY TAXES	**$ (5.456)**	**$ (700)**

RECONCILIATION BETWEEN ACCOUNTING NET WORTH AND FISCAL NET WORTH

Below is the reconciliation between the accounting net worth and the fiscal net worth for the years ending as of December 31:

	2012	2011
Accounting net worth	$ 7.422.126	$ 6.476.240
Plus:		
Provision to protect investments and other assets	1.150	1.149
Goodwill pending for amortization	110	110
Minus:		
Valuations	(3.733.696)	(2.979.150)
Fiscal cost of investments	(1.320.871)	(1.120.029)
Fiscal Net Worth	$ 2.368.819	$ 2.378.320

The tax returns for income taxes and complementary taxes for the 2008, 2009, 2010 and 2011 tax years are subject to review and acceptance by the tax authorities. The Company Administrators and its legal advisors consider that the amounts posted as liabilities for tax payable are sufficient to attend any requirement that may be set forth regarding those years.

CAPITAL TAX

Law 1370 of 2009 established a capital tax for the 2011 tax year, which income taxpayers must pay. Therefore, those taxpayers with a net worth above COP 5.000 are subject to a rate of 4,8%; those with a net worth of between COP 3.000 and COP 5.000 must pay a rate of 2,4%.

Emergency Decree Number 4825 of December 2010 included a new range of taxpayers required to pay this tax. It established a rate of 1% for those taxpayers whose net worth is between COP 1.000 and COP 2.000; those whose net worth is between COP 2.000 and COP 3,000 must pay a rate of 1,4%.

This decree also established a 25% surcharge on this tax, which is applicable only to capital–tax taxpayers under Law 1370 of 2009.

Decree 514 of 2010 added the following paragraph to Article 78 of Regulatory Decree 2649 of 1993:

“Transition Paragraph: Taxpayers may annually allocate the value of the contributions due in the respective capital–tax periods covered by Law 1370 of 2009 against the capital revaluation account. When the capital revaluation account does not record a credit balance or is insufficient to allocate the capital tax, taxpayers may annually allocate the value of the required installments in the Profit and Loss Accounts of the respective period.”

The tax value, including the surcharge, was COP 670. The tax was accrued on January 1, 2011 and is paid in eight (8) installments during four (4) years; that is, two (2) installments per year. The Company recorded COP 670 of capital tax under the Deferred Assets account, which will be amortized on a straight line under the capital revaluation account. The amortized value of this deferred asset for 2012 is COP 502.

NOTE 9

Deferred Revenue

This corresponds to the value of the unenforceable dividends decreed by companies in which the Company is not the controlling shareholder.

The balance as of December 31 included

Names	2012	2011
Inversiones Argos S.A.	$ 4.230	$ 3.990
Grupo de Inversiones Suramericana S.A.	4.573	4.306
TOTAL	**$ 8.803**	**$ 8.296**

NOTE 10

Capital Stock

The balance as of December 31, 2012 and 2011 included:

Authorized capital of 480.000.000 shares at a pa value of COP 5 each	$2.400
Non–issued shares: 19.876.542	(99)
SUBSCRIBED AND PAID–UP CAPITAL	**$2.301**

NOTE 11
Reserves

Legal Reserve
Pursuant to Colombian commerce legislation, 10% of the net profits must be appropriated each year as a legal reserve, until the reserve balance reaches at least 50% of the subscribed capital. In accordance with its by-laws, the Company keeps its legal reserve at 100% of the subscribed capital. This reserve cannot be distributed until the Company is liquidated, but it must be used to absorb losses. The Assembly of Shareholders may freely dispose of any excess above the minimum amount required by law.

Reserve for Stock Buy Back
Pursuant to the provisions set forth in the Commerce Code, all rights inherent in stock buy back are suspended and must be excluded when determining the intrinsic value of the issued stock. The Company must maintain a reserve equal to the cost of the buy backs of its own stock.

Other Reserves
This includes other reserves that are substantially for free disposal by the Assembly of Shareholders.

NOTE 12
Equity Revaluation

Adjustments for inflation on the balances of the equity accounts made from January 1, 1992 until December 31, 2006, were credited to this account and charged to the Profit and Loss Statement of the fiscal period, except for the valuation surplus. This item is decreased with the equity tax and may not be distributed as a profit until the Company is liquidated or capitalized, pursuant to legal provisions.

NOTE 13
Administration Operating Expenses

The balance as of December 31 included:

		2012		2011
Personnel expenses	$	4.059	$	3.621
Taxes		1.426		691
Travel expenses		1.458		1.572
Professional fees		705		439
Miscellaneous and other expenses		2.442		2.681
TOTAL	**$**	**10.090**	**$**	**9.004**

NOTE 14

Net Profit On Sale And Liquidation Of Investments

During 2012, no sale or liquidation of investments was made.

Below is the profit and sale of investments as of December 31, 2011:

Name	Cost	Sale Price or Value Received	Profit or (loss)
Withdrawal of Investments			
Predios del Sur S.A.	$ 764	$ 491	$ (273)
Sale of Investments			
Carnes y Derivados S.A.	2	4	2
Ditransa S.A.	1.023	12.318	11.295
TOTAL	**$ 1.789**	**$ 12.813**	**$ 11.024**

NOTE 15

Dividends Decreed

In the ordinary Assembly of Shareholders held on March 30, 2012, a monthly per–share dividend of COP 30 was decreed between April 2012 and March 2013 inclusive, on 460.123.458 outstanding shares. Dividends were decreed for 2012 in the amount of COP 165.645 (2011: COP 154.512).

During 2012, dividends were paid in the amount of COP 163.402 (2011: COP 150.226).

NOTE 16

Administration of Stocks and Dividends

The Company entered into a contract with Deceval, by virtue of which the latter is in charge of providing comprehensive deposit and administration services for Company stock, beginning on June 1, 2011.

The main contractual commitments are the following:

- To have custody of and update the Shareholders' Registry Ledger
- To make notations in the trading account and custody
- To update and correct data
- To oversee assemblies
- To serve shareholders
- To serve third parties
- To attend off–exchange operations
- To administer subscriptions
- To administer risks
- To liquidate and control dividends
- To maintain documents/files
- To provide reports and consultations
- To provide legal support
- To provide other services

NOTE 17
Subsequent Events

Dan Kaffe (Malaysia) Sdn. Bhd. ("DKM")
On December 11, 2012, *Grupo Nutresa S.A.,* through its subsidiary industry *Colombiana de Café S.A.S.* (*Colcafé*), entered into an agreement by which it acquired a 44% stake of the Malaysian company Dan Kaffe (Malaysia) Sdn. Bhd. ("DKM"); the agreement was completed on February 15, 2013.

Founded in 1994, Malaysia Dan Kaffe Sdn. Bhd. Is one of the largest Malaysian companies dedicated to the production of instant coffee and coffee extracts. Its plant is located in Johor Bahru, 25 kilometers from the port of Singapore, the business hub of Southeast Asia.

The other shareholders of this company are Mitsubishi Corporation, the Japanese multinational company and one of the largest and most recognized conglomerates of this country, with a 30% stake; and Takasago International Corporation, one of the world leaders in flavors and aromas, with a 26% stake.

With its high–quality, privileged location and growth potential, Dan Kaffe Sdn. Bhd. is strategic for *Grupo Empresarial Nutresa's* coffee business.

Impact due to the Devaluation of the Venezuelan *Bolívar*
In the press release on February 8, 2013, which reported the devaluation of the *Bolívar* (VEF) against the U. S. Dollar (4,30 to 6,30), the Company evaluated the impacts of the financial statement as of December 31, 2012, generating a decrease in the investments it holds in Venezuela of COP 68.972.

NOTE 18
Financial Ratio

	2012	2011
Liquidity Ratio		
(Current assets / Current liabilities)	0,20 times	0,16 times
Indicates the capability that the Company has to attend its short–term obligations, using current assets as endorsement.		
Debt Ratio		
(Total Liabilities / Total Assets)	1,00%	1,06%
Indicates the part of the Company's assets that are financed with third–party resources.		
Profitability Ratio:		
• (Net profit / Net worth)	4,65%	3,95%
Percentage of net worth that represents the net profit		
• (Net profit / Total assets)	4,61%	3,91%
Percentage of the total assets that represents the net profit.		

Stock Information	2012	2011
Number of outstanding shares	460.123.458	460.123.458
Nominal value (*)	5	5
Commercial value (*)	25.420	21.800
Intrinsic Value (*)	16.131	14.075
Number of shareholders	17.176	22.092
Average price in the stock market (*)	21.931	22.922
Maximum price in the stock market (*)	25.560	27.100
Minimum price in the stock market (*)	20.300	20.500

(*) Values expressed in Colombian Pesos (COP)

NOTE 19

Balances and Transactions Among Economically Bound Companies

(Articles 29 and 47 of Law 222 of 1995, and Circular 002 of 1998 from the Colombian Financial Superintendent).

	Operating Value 2012	Operating Value 2011	Effect on Profit and Loss Results 2012	% of Share in Operating Income (Expenses) 2012
COMPAÑÍA DE GALLETAS NOEL S.A.S.				
Professional fees and services	$1.728	$ 1.531	$1.728	0,48%
Dividends received	26.918	0		
Balance receivable	0	10		
INDUSTRIAS ALIMENTICIAS ZENÚ S.A.S.				
Professional fees and services	1.728	0	1.728	0,48%
Dividends received	10.154	23.264		
CIA. NACIONAL DE CHOCOLATES S.A.S.				
Professional fees and services	1.341	1.107	1.341	0,38%
Dividends received	26.917	13.114		
Services paid	1	0	1	0,01%
Balance receivable	248	93		
Balance payable	(5)	(153)		
PRODUCTOS ALIMENTICIOS DORIA S.A.S.				
Professional fees and services	551	494	551	0,15%
Interest received	0	26		
Dividends received	6.863	0		
ALIMENTOS CÁRNICOS S.A.S				
Professional fees and services	1.234	2.632	1.234	0,35%
Dividends received	21.600	4.500		

	Valor operación 2012	Valor operación 2011	Efecto en resultados 2012	% de part en ingresos (gastos) operacionales 2012
INDUSTRIA COLOMBIANA DE CAFÉ S.A.S				
Dividends received	$13.800	$0		
Professional fees and services	0	1.113		
Interest received	0	9		
Balance receivable	362	442		
MEALS DE COLOMBIA S.A.S				
Professional fees and services	365	339	365	0,10%
Dividends received	13.393	0		
Interest received	0	22		
SERVICIOS NUTRESA S.A.S				
Other expenses	0	375		
Balance receivable	0	7		
Professional fees paid	12	11	12	0,12%
Balance payable	(18.587)	15.273		
NOVAVENTA S.A.S				
Dividends received	4.824	1.009		
ALIMENTOS CÁRNICOS ZONA FRANCA SANTAFÉ S.A.S				
Interest received	11	26	11	0,003%
Balance payable	0	661		
SETAS COLOMBIANAS S.A.				
Dividends received	8.003	1.258		

Operations with companies in which members of the *Grupo Nutresa S.A.* Board of Directors, its legal representatives and chief officers have a share greater than 10%:

	2012	2011	Effect of Profit and Loss Results 2012	% of Share in Operating Income (Expenses) 2012
Grupo de Inversiones Suramericana S.A.				
Dividends received	$ 18.024	$ 16.896	$ 18.024	$ 5,06%
Dividends paid	57.578	50.978		
Inversiones Argos S.A.				
Dividends received	16.679	15.642	16.679	4,68%
Dividends paid	12.788	4.491		

NOTE: All the above operations were conducted at prices and under normal market conditions. *Grupo Nutresa S.A.* has not done business with shareholders or members of the Board of Directors.

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