

EARNINGS REPORT

3rd Quarter 2008

S.A.C.I. FALABELLA



October 2008



Earnings – Third Quarter 2008

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Notes:

1. All figures in dollars are calculated using pesos in the Uniform Codified Statistical Record (FECU) as of September 30, 2008 and the observed dollar exchange rate for October 1, 2008 (CH\$551.31 per US\$1).
2. Symbols for quarters: 1Q, 2Q, 3Q, and 4Q, as applicable.
3. Other symbols for periods in the year: 1S (first semester) and 9M (first nine months of the year).
4. Currency symbols: CH\$: Chilean pesos; US\$: U.S. dollars; MM: millions.



I. Executive Summary

- Consolidated revenues of S.A.C.I. Falabella grew strongly during 3Q 2008, a real 22.6%, totaling MMCH\$ 866,688 (MMUS\$ 1,572.1). This is mainly due to the significant expansion in operations in Chile (real +9.7%) and particularly, in international operations (real +80%) in 3Q. The cumulative revenues as of September represented a real growth of 18.7%, totaling MMCH\$2,597,608 (MMUS\$4,711.7).
- The 3Q EBITDA grew 13.7%, to MMCH\$ 84,109 (MMUS\$152.6). On a cumulative basis from January to September 2008, the EBITDA increased 13.34%, to MMCH\$ 297,768 (MMUS\$ 540.1).
- There was a non-operating loss of MMCH\$ 11,001 (MMUS\$ 20) during 3Q 2008 as compared to a loss of MMCH\$17,725 in the same period in 2007. In 9M 2008, the accumulated non-operating loss was MMCH\$34,185, which compares to a loss of MMCH\$21,373 in the same period in 2007. The loss rose on a non-recurrent basis mainly because of extraordinary income earned in 2007 by the Falabella Store at Portal La Dehesa (MMCH\$4,581), because of the fine paid in the “Plasma” case in 3Q 2008 (MMCH\$2,592), and because of an increase in the loss due to price-level restatement (MMCH\$7,985 higher).
- When the above effects are added together, profit before taxes and extraordinary items totaled MMCH\$50,686 in 3Q 2008, a growth of 23.8%. The consolidated net profit of Falabella in 3Q 2008 grew 3.8%, to MMCH\$29,495 (MMUS\$53.5). The consolidated net profit in 9M 2008 was MMCH\$143,698 (MMUS\$260.6).

Important Note:

The consolidated financial statements of S.A.C.I. Falabella do not consolidate the operation of Banco Falabella Peru (which includes the CMR credit card business). This company is registered as an Investment in a Related Company in both 2007 as well as 2008. Nor are Banco Falabella Chile and Sodimac Colombia consolidated. The Mall Plaza Vespucio operations are being consolidated starting in 3Q 2008.



II. Consolidated Income Statement as of September 30, 2008

Consolidated Income Statement January – September 2008 (MMCH\$)

	9M'08	% Revenues	9M'07	% Revenues	Var. 08/07
Revenues	2.597.608		2.188.686		18,7%
COGS (less)	(1.844.159)	-71,0%	(1.564.333)	-71,5%	17,9%
GROSS MARGIN	753.449	29,0%	624.353	28,5%	20,7%
SG&A (less)	(517.606)	-19,9%	(410.334)	-18,7%	26,1%
OPERATING INCOME	235.843	9,1%	214.020	9,8%	10,2%
Depreciation + Amortization (less)	(61.925)	-2,4%	(48.710)	-2,2%	27,1%
EBITDA	297.768	11,5%	262.729	12,0%	13,3%
Interest Income	8.552		5.976		43,1%
Profit on investment in related companies	28.920		34.771		-16,8%
Other non-operating income	30.773		22.355		37,7%
Lost on investment in related companies (less)	(30)		0		n/a
Amortization of goodwill	(13.524)		(14.253)		-5,1%
Interest expenses (less)	(48.177)		(34.510)		39,6%
Other non-operating expenses (less)	(12.374)		(8.036)		54,0%
Price-level restatement	(30.734)		(22.749)		35,1%
Exchange differentials	2.409		(4.927)		-148,9%
NON-OPERATING PROFIT (LOSS)	(34.185)	-1,3%	(21.373)	-1,0%	59,9%
PROFIT BEFORE INCOME TAX & EXTRAORD. ITEMS	201.658	7,8%	192.646	8,8%	4,7%
INCOME TAX	(37.182)		(30.238)		23,0%
MINORITY INTEREST	(20.779)		(12.397)		67,6%
NET PROFIT (LOSS)	143.697		150.011		-4,2%
Amortization of negative goodwill	2		2		-14,9%
PROFIT (LOSS) IN THE FISCAL YEAR	143.698	5,5%	150.013	6,9%	-4,2%
Adjusted EBITDA¹	326.657	12,6%	297.500	13,6%	9,8%

Consolidated Income Statement July-September 2008 (MMCH\$)

	3Q'08	% Revenues	3Q'07	% Revenues	Var. 08/07
Revenues	866.688		707.092		22,6%
COGS (less)	(629.116)	-72,6%	(513.173)	-72,6%	22,6%
GROSS MARGIN	237.572	27,4%	193.920	27,4%	22,5%
SG&A (less)	(175.885)	-20,3%	(135.252)	-19,1%	30,0%
OPERATING INCOME	61.687	7,1%	58.668	8,3%	5,1%
Depreciation + Amortization (less)	(22.422)	-2,6%	(15.328)	-2,2%	46,3%
EBITDA	84.109	9,7%	73.995	10,5%	13,7%
Interest Income	3.220		2.923		10,1%
Profit on investment in related companies	10.134		10.143		-0,1%
Other non-operating income	20.789		7.381		181,6%
Lost on investment in related companies (less)	(30)		0		n/a
Amortization of goodwill	(4.510)		(4.978)		-9,4%
Interest expenses (less)	(17.365)		(11.368)		52,7%
Other non-operating expenses (less)	(5.874)		(2.278)		157,9%
Price-level restatement	(21.539)		(16.360)		31,7%
Exchange differentials	4.174		(3.189)		-230,9%
NON-OPERATING PROFIT (LOSS)	(11.001)	-1,3%	(17.725)	-2,5%	-37,9%
PROFIT BEFORE INCOME TAX & EXTRAORD. ITEMS	50.686	5,8%	40.942	5,8%	23,8%
INCOME TAX	(11.170)		(8.309)		34,4%
MINORITY INTEREST	(10.021)		(4.230)		136,9%
NET PROFIT (LOSS)	29.494		28.404		3,8%
Amortization of negative goodwill	1		1		69,8%
PROFIT (LOSS) IN THE FISCAL YEAR	29.495	3,4%	28.404	4,0%	3,8%
Adjusted EBITDA¹	94.212	10,9%	84.139	11,9%	12,0%

¹ Adjusted EBITDA = EBITDA + profit/loss on investment in related companies.



III. Analysis of Consolidated Results

Operating Income

The consolidated operating income for 3Q 2008 rose 5.1%, to MMCH\$ 61,687 (MMUS\$ 111.9). The growth was due to the increase in department stores in Chile and in the international operations in Peru and Colombia, and in particular to the consolidation of Plaza Vespucio starting July 30, 2008. The Ebitda of Sodimac Chile² is also notable, increasing 29.2% in 3Q 2008. Moreover, the consolidated operating income represented 7.1% of sales, 118 basis points below the previous year. This is mainly the result of the start-up of Sodimac in Argentina, the operating loss of Tottus-San Francisco and a drop in the margin of the CMR credit card.

In 9M 2008, operating income rose 10.2%, to 9.1% of revenues. This growth mainly came from adding Plaza Vespucio as well as the progress in the businesses in Peru and in department stores and Sodimac in Chile.

Revenues

Revenues rose 22.6% in 3Q 2008, to MMCH\$ 866,688 (MMUS\$ 1,572.1). The cumulative revenues were MMCH\$2,597,608 as of September 30, 2008 (MMUS\$4,711.7), meaning an 18.7% growth above the previous year. These revenues were driven mainly by the growth in the international businesses (+57.0%), in Tottus-San Francisco (+23%) and in Sodimac (+12.0%). Moreover, the increase came from a 17.6% expansion in floor space in the past year and a consolidated SSS growth of an approximate real 3.2%.

Gross Margin

The gross margin remained the same in 3Q 2008 as a percentage of sales with respect to the previous year, totaling MMCH\$ 237,572 (MMUS\$ 430.9), 22.5% higher than the 3Q of the previous year. On a cumulative basis through September, the gross margin rose 48 basis points as a percentage of income, to 29.0% on sales or MMCH\$753,449 (MMUS\$1,366.7). This increase is largely due to the improvement in the operating margin of the Chile Department Stores, based on an optimized stock planning.

Selling, General and Administrative Expenses (SGA)

During 3Q 2008, expenses rose 117 basis points to MMCH\$ 175,885 (MMUS\$319.0) or 20.3% as a percentage of sales. Accumulated to September, SGA rose 118 basis points as a percentage of sales, to total 19.9% on revenues or MMCH\$517,606 (MMUS\$938.9). This increase is mainly the result of the rise in SGA as a percentage of sales in Argentina (due to the start-up of Sodimac in that country), in Tottus-San Francisco and the increase in depreciation in general.

²Includes the operations of Imperial.



Non-Operating Profit (Loss)

During 3Q 2008, there was a non-operating loss of MMCH\$ 11,001 (MMCH\$ 6,724 better than the previous year). As accumulated through September 2008, this loss totaled MMCH\$34,185 (MMUS\$62.0) compared to a loss of MMCH\$21,373 (MMUS\$38.8) in the same period in 2007.

The increase in the loss in 9M 2008 can be explained as follows:

- Interest Expense net of Interest Income: the loss rose MMCH\$11,091, 38.9% higher than 9M 2007. The rise is due mainly to an increase in interest-bearing debt in international operations and Mall Plaza Chile because of the increase in the investment plan and because of the consolidation of Plaza Vespucio starting July 30, 2008. This was offset by an increase in interest-bearing investments that increased interest income.
- Price-Level Restatement and Exchange Differential: The loss because of price-level restatement and exchange differential rose MMCH\$648 in the 9M 2008, 2.3% higher than the same period in the previous year. This loss was caused by the high inflation rate in Chile in the last 12 months (price-level restatement was 9.3%, compared to 4.7% for the same period in the previous year). This had a direct effect on the valuation of equity and of non-monetary liabilities. This loss does not impact cash flow.
- During 9M 2008, the profit/loss on investments in related companies fell by MMCH\$5,881, a drop of 16.9%. This effect can be explained mainly by the following related investments:
 - Banco Falabella Chile: It decreased 57.7% to MMCH\$6,384 in 9M 2008.
 - FASA: The recognized profit fell by MMCH\$ 1,366 in 9M 2008, to MMCH\$30.
 - Banco Falabella Peru (including CMR Peru): The recognized profit in this operation raised 30.0%, to MMCH\$13,807.
 - Sodimac Colombia: The recognized profit rose MMCH\$1,354, 78.3% higher than the same period in the previous year. It totaled MMCH\$3,084.
- Other Non-Operating Income and Expenses: Non-Operating Income plus Expenses totaled MMCH\$18,398 in 9M 2008, or MMCH\$4,080 higher than in 9M 2007. The increase was due mainly to an extraordinary profit of MMCH\$14,440 recorded in 3Q 2008 because of the exchange of shares in Mall Plaza Vespucio. However, this was offset by the disbursement for the fine of MMCH\$2,592 for the “Plasma” Case and by the extraordinary income of MMCH\$5,206 earned at Mall La Dehesa in 2007.



IV. Main Events in the Period

3Q 2008

- Openings in 3Q 2008:
 - Chile: The Homecenter Estacion Central store was inaugurated in September 2008, the Homecenter Talca store was enlarged in August 2008, and the Homecenter Copiapo store was remodeled in September 2008. Tottus Alameda was also inaugurated (Jul-08).
 - Argentina: The third Sodimac store was inaugurated in Buenos Aires (Aug-08).
 - Colombia: The Sodimac Bello Store was opened (Sept. 2008).
 - In July 2008, S.A.C.I. Falabella reached a 59.278% interest in Plaza S.A. and it will consolidate all its companies, including Plaza Vespucio S.A.
 - In August 2008, the Supreme Court fined Falabella a total of MMCH\$2,592 for the “Plasma” case.

Other Recent Events in 2008

- Openings in 4Q 2008:

Chile:

- Falabella: The Osorno store will be enlarged (Nov. 08) and the new Plaza Sur store opened (Nov. 08).
- Homecenter: In October 2008, the Los Angeles store was relocated (and reopened) and the El Bosque store was opened. The Plaza Sur store will be inaugurated in November 2008 and the Calama store will be enlarged in November 2008.
- Tottus: The store in El Bosque will be opened in November 2008.
- Mall Plaza: the new Aires (Airs) space at Mall Plaza Vespucio and the new Mall Plaza Sur will be inaugurated in November 2008.

Peru:

- Saga Falabella: the new store in Atocongo will be opened in November 2008 and the one at Aventura Plaza Bellavista in December 2008.
- Homecenter: The Canta Callao store was inaugurated in October 2008. The Aventura Plaza Bellavista, Los Jardines (Trujillo), Ica Minka and Chincha stores will be opened in December 2008.
- Tottus: The Canta Callao and Crillon stores were opened in October 2008. The La Polvora supermarket will be inaugurated in November, and the Plaza Bellavista, Los Jardines (Trujillo), Puente Piedra, Pachacutec and Ica Minka stores in December 2008.
- Aventura Plaza: Aventura Plaza Bellavista will be opened in November 2008.
- Malls Peru: The Power Center Canta Callao was opened in October 2008.

Argentina:

- The Sodimac Villa Tessei store was opened in Buenos Aires in October 2008.

Colombia:

- The Sodimac Molinos store will be opened in Medellin in December 2008.



V. Retail Indicators

1. Revenues from the Retail Businesses

Cumulative Retail Revenues 9M 2008 (MUS\$)³

(Adjusted Chilean pesos converted to USD at the observed e/r for October 1, 2008)

	9M 2008	9M 2007	Var. 08/07
Department Stores - Chile	991.404	997.871	-0,6%
Home Improvement - Chile ⁴	1.518.904	1.356.656	12,0%
Supermarkets - Chile	430.991	350.297	23,0%
Retail - Peru (Saga, Sodimac & Tottus)	751.112	494.174	52,0%
Retail - Argentina (Falabella & Sodimac)	251.611	169.373	48,6%
Retail - Colombia (Falabella & Sodimac)	575.284	406.427	41,5%

Cumulative Retail Revenues 3Q 2008 (MUS\$)

(Adjusted Chilean pesos converted to USD at the observed e/r for October 1, 2008)

	3Q 2008	3Q 2007	Var. 08/07
Department Stores - Chile	314.072	317.821	-1,2%
Home Improvement - Chile ⁴	462.898	423.346	9,3%
Supermarkets - Chile	147.998	122.141	21,2%
Retail - Peru (Saga, Sodimac & Tottus)	261.351	152.695	71,2%
Retail - Argentina (Falabella & Sodimac)	95.185	51.590	84,5%
Retail - Colombia (Falabella & Sodimac)	206.027	141.573	45,5%

Same-Store Sales (SSS) Growth⁵

(all growth is real and was calculated in the local currency of each country)

	9M 2007	2007	1Q 2008	1S 2008	9M 2008
Department Stores - Chile	3,1%	1,2%	-2,2%	-2,9%	-4,1%
Home Improvement - Chile ⁶	6,4%	6,1%	2,9%	4,6%	5,8%
Supermarkets - Chile	-0,1%	-2,0%	5,6%	4,3%	2,7%
Retail - Peru (Saga, Sodimac & Tottus)	7,7%	7,4%	7,9%	7,1%	6,6%
Retail - Argentina (Falabella & Sodimac)	9,8%	9,3%	18,5%	8,8%	6,3%

Chile Department Stores

Revenues during 3Q 2008 totaled MMCH\$173,151 (MMUS\$314.1), a drop of real 1.2% compared to the previous year. The decrease was due mainly to a 4.1% fall in SSS sales and to a more restrictive handling of inventory in view of an expected moderation in consumption. The decrease in 9M 2008 was 0.6%.

Chile Home Improvement

The growth in revenues in 3Q 2008 was 9.3%, totaling MMCH\$ 255,200 (MMUS\$462.9). On a cumulative basis, it was 12.0% as of 9M 2008. The main reason for this growth was the consolidation of Imperial starting in May 2007 and an increase of 5.8% in SSS revenues.

³ Excludes revenues from the credit business.

⁴ Includes Imperial Stores.

⁵ All new stores and those that are enlarged by more than 10% in terms of square meters are excluded in the calculation of same-store growth.

⁶ Sodimac SSS does not include the Imperial stores.



Chile Supermarkets

Revenues rose 21.2% during 3Q 2008, totaling MMCH\$ 81,593 (MMUS\$ 148.0), and 23.0% on a cumulative basis in 9M 2008. This increase was the result of a 2.7% increase in SSS and the opening of 2 stores and two enlargements in the last 12 months, which raised floor space by 14%.

Peru

The revenues from the retail business in Peru (Saga Falabella, Sodimac and Tottus) grew 71.2% during 3Q 2008 and 52.0% on a cumulative basis in 9M 2008. The increase was driven mainly by the growth of 45.1% in floor space (the opening of 9 stores in the last 12 months, on a net basis) and an increase of 6.6% in SSS.

Argentina

Retail revenues in 3Q 2008 rose 84.5% and 48.6% in 9M 2008, mainly because three Sodimac stores began operation in 2008 and two Falabella stores were opened in the last 12 months.

Colombia

The revenues of Sodimac and Falabella Colombia rose 41.5% in the aggregate during 9M 2008. This growth came from opening 4 stores in the last 12 months (2 Sodimac stores and two Falabella stores), increasing floor space by 19.1%.

2. Number of Stores and Floor Space

Sales Area	Sep - 2008		Sep - 2007	
	Area (m ²)	Stores	Area (m ²)	Stores
Department Stores - Chile	216.624	39	202.500	36
Home Improvement - Chile ⁷	512.329	64	484.033	61
Supermarkets - Chile	92.320	22	80.853	20
Department Stores - Peru	76.847	13	67.781	13
Home Improvement - Peru	67.217	8	38.757	4
Supermarkets - Peru	54.601	9	30.335	4
Department Stores - Argentina	50.445	9	39.817	7
Home Improvement - Argentina	37.283	3		
Department Stores - Colombia	35.835	4	18.865	2
Home Improvement - Colombia	162.316	16	147.486	14
Total	1.305.817	187	1.110.427	161

Chile Department Stores

3 new stores were opened in Chile in the twelve months since October 2007 and approximately 14,124 square meters of net floor space were added. This came from the opening of the stores in Punta Arenas (5,349 m², Nov 2007), on Manquehue Street (6,125 m², March 2008), and Plaza Alameda store (6,839 m², May 2008). Moreover, the remodeling and relocation of the Downtown Santiago store (measuring 9,436 m²), Downtown Concepción store (+2,351 m²) and Valdivia store (+1,717 m²) concluded in the last 12 months.

⁷ Includes Imperial stores.



Chile Home Improvement

2 Sodimac stores were opened in Chile in the 12 months elapsing since October 2007 and 1 Imperial Store. The net floor space rose by 28,296 m². This increase includes the Homecenter stores opened in Linares (7,040 m², Nov 2007), in Estacion Central (10,615 m², Sep. 08), and the Imperial Huechuraba store (3,007 m², April 2008). Homecenter Talca was also enlarged (to 12,522 m², Aug. 08) and the Homecenter Copiapo was remodeled (8,895 m², Sep. 08).

San Francisco-Tottus Supermarkets

2 new San Francisco and Tottus supermarkets were opened in the 12-month period since October 2007 and the net floor space rose by approximately 11,467 m²: Tottus Colina (4,818 m², Oct-07) and Tottus Alameda (4,209 m², Jul. 08). The San Francisco supermarkets in Peñaflor (+1,076 m², Dec-07) and in Buin (+1,364 m², Feb-08) were also enlarged.

Peru

10 new stores were opened in Peru in the 12 months elapsing since October 2007 while the floor space rose by approximately 61,792 m². This was due mainly to the opening of 1 SAGA Falabella store (however, the Chiclayo store measuring 356 m² was also closed), 4 Sodimac stores (increase of 28,460 m² of floor space) and 5 Tottus hypermarkets (increase of 24,266 m² of floor space).

Argentina

In Argentina, 5 new stores were inaugurated in Buenos Aires in the 12-month period since October 2007, two Falabella Stores and three Sodimac Stores. The floor space increased by approximately 47,911 m². The new stores are: Falabella Florida III (+2,478 m², Nov-07), Falabella Alto Avellaneda (8,150 m², Apr-08), Sodimac San Martin (12,714 m², Feb-08), Sodimac Malvinas Argentinas (12,639 m², Apr-08) and Sodimac San Justo (11,930 m², Aug. 08).

Colombia

In Colombia, 4 new stores were opened in the twelve months since October 2007 and the floor space rose by approximately 31,800 m². The new department stores were Falabella San Diego in Medellin (9,000 m², Nov-07) and Falabella Hayuelos in Bogota (7,970 m², Apr-08). The new Sodimac stores were: HC Cartagena (8,062 m², Nov-07) and HC Bello (6,768 m², Sep. 08).



3. Inventories⁸

	Days in Inventory		1Q 2008	1S 2008	9M 2008
	9M 2007	2007			
Department Stores - Chile	74	78	86	77	72
Home Improvement - Chile	81	76	65	75	101
Supermarkets - Chile	34	33	29	31	29
Department Stores - Peru	89	88	102	83	86
Home Improvement - Peru	118	158	108	119	126
Supermarkets - Peru	43	56	39	35	48
Retail - Argentina (Falabella & Sodimac)	130	128	148	160	153

Falabella Chile and Tottus-San Francisco have continued with the successful implementation of their strategy to reduce days in inventory. Falabella Chile has reduced it by 2.7% and Tottus-San Francisco by 14.3% in the first nine months of 2008. The increase in days in inventory of Sodimac was mainly the result of the early purchase of ceramic products, the increase in the mix of foreign suppliers (which improves the store margin), the openings (4) and enlargements (3) of stores between August and November 2008, and the special purchases. The days in inventory should normalize progressively over the next few months.

For international operations, the days in inventory have increased, mainly the result of the store-opening plan that requires purchasing inventory in advance. The increase of 18% for Argentina was basically the result of the inclusion of Sodimac's inventory in that country after the opening of 4 stores in 2008.

⁸ Days in Inventory = Inventories at the end of the period divided by the cumulative sales cost expressed in days.



VI. Revenues by Business Unit

1. Chile Department Stores

Department store operating income improved 53.4% in 3Q 2008, the loss totaling MMUS\$ 3.5. The gross margin in 3Q was 27.9% as a percentage of sales, 209 basis points above the same period in 2007, due mainly to the improvement in efficiency in the handling of inventories, a process that was begun the previous year. Moreover, operating income grew 99.5% as of September 2008 when compared to September 2007, to MMUS\$27.0. There was an extraordinary payroll expense in 3Q because of the reorganization of subsidiaries and affiliates in order to simplify the internal organization and optimize cost allocations. Nonetheless, selling, general and administrative expenses rose just 1.8% in 3Q, an increase of 3.8% compared to the previous year on a cumulative basis through September.

Chile Department Stores (MMUS\$ and percentage of sales)

	3Q'08	3Q'07	Var.%	9M 2008	9M 2007	Var.%
Revenues	314,1	317,8	-1,2%	991,4	997,9	-0,6%
Costs	-72,1%	-74,2%	-4,0%	-69,8%	-72,3%	-4,1%
Gross Margin	27,9%	25,8%	6,8%	30,2%	27,7%	8,5%
SGA w/o depreciation	-26,3%	-26,2%	-0,7%	-25,1%	-24,4%	2,5%
EBITDA	1,6%	-0,4%	-553,1%	5,1%	3,3%	51,8%
Depreciation + Amortization	-2,7%	-2,0%	34,1%	-2,4%	-2,0%	19,2%
Operating Profit (Loss)	-1,1%	-2,4%	-53,4%	2,7%	1,4%	99,5%

2. Chile Home Improvement⁹

Sodimac Chile's operating income was MMUS\$ 14.0 during 3Q 2008, 1.6% higher than the same period in the previous year. Revenues grew 9.3% in 3Q, accompanied by an improvement in the operating efficiency, which has meant a rise of 52 basis points in margins and a drop of 30 basis points in SG&A as percentage of revenues (excluding depreciation). Depreciation rose 99.7% in 3Q, mainly because facilities used by Sodimac were transferred from Sociedad de Rentas to Sodimac. On a cumulative basis through September 30, 2008, revenues totaled MMUS\$85.9, 15.6% better than in the same period in 2007. This is mainly the result of a growth of 12.0% in revenues, driven by the consolidation of Imperial since May 2007 and a real SSS increase of 5.8%.

⁹ Includes Imperial stores starting May 1, 2007.



Chile Home Improvement (MMUS\$ and percentage of sales)

	3Q'08	3Q'07	Var.%	9M 2008	9M 2007	Var.%
Revenues	462,9	423,3	9,3%	1.518,9	1.356,7	12,0%
Costs	-72,8%	-73,4%	8,6%	-73,2%	-73,2%	11,9%
Gross Margin	27,2%	26,6%	11,5%	26,8%	26,8%	12,1%
SGA w/o depreciation	-21,8%	-22,1%	7,8%	-19,5%	-20,0%	9,1%
EBITDA	5,4%	4,5%	29,2%	7,3%	6,8%	20,7%
Depreciation + Amortization	-2,3%	-1,3%	99,7%	-1,7%	-1,3%	41,7%
Operating Profit (Loss)	3,0%	3,3%	1,6%	5,7%	5,5%	15,6%

3. Chile Supermarkets

The operating income of San Francisco and Tottus Supermarkets fell MMUS\$4.7 in 3Q 2008, to MMUS\$(1.4), despite the 21.2% increase in revenues. On a cumulative basis through September 2008, there was an operating loss of MMUS\$3.1. Revenues increased by 23% in 9M 2008 as the new stores opened recently matured, combined with a 2.7% SSS. Moreover, the store-opening plan, the rise in energy costs and in payroll expenses had an adverse impact on total operating expenses, which increased 138 basis points thus far this year.

Chile Supermarkets (MMUS\$ and percentage of sales)

	3Q'08	3Q'07	Var.%	9M 2008	9M 2007	Var.%
Revenues	148,0	122,1	21,2%	431,0	350,3	23,0%
Costs	-84,0%	-78,3%	30,0%	-79,9%	-79,5%	23,6%
Gross Margin	16,0%	21,7%	-10,5%	20,1%	20,5%	21,0%
SGA w/o depreciation	-14,3%	-16,4%	5,9%	-18,1%	-16,7%	33,2%
EBITDA	1,7%	5,3%	-61,0%	2,0%	3,8%	-33,3%
Depreciation + Amortization	-2,7%	-2,7%	20,8%	-2,8%	-2,5%	36,8%
Operating Profit (Loss)	-1,0%	2,7%	-143,6%	-0,7%	1,3%	-168,6%

4. International Operations

During 3Q 2008, operating income of the international businesses that are consolidated (Argentina, Peru and Colombia)¹⁰ totaled MMUS\$ 9.0, which meant a growth of 46.7% compared to the same period in the previous year. International businesses that are consolidated thus accounted for 8.1% of the consolidated operating income of SACI Falabella for 3Q 2008.

During 9M 2008, operating income from the international businesses accounted for 10.7% of the consolidated income of S.A.C.I. Falabella, totaling MMUS\$45.8, 54.6% higher than the same period in the previous year.

¹⁰ Excluding Banco Falabella Peru and Sodimac Colombia.



Peru¹¹

Consolidated operating income from Peru amounted to MMUS\$15.0 in 3Q 2008, a growth of 107.9%. This significant increase came mainly from the opening of 9 stores, on a net basis, in the past twelve months, from a SSS growth of 6.6% and from lower expenses of 93 basis points (without depreciation). The operating income accumulated as of September 2008 totaled MMUS\$53.5, 73.3% higher than the previous year.

Peru Consolidated (MMUS\$ and percentage of income)

	3Q'08	3Q'07	Var.%	9M 2008	9M 2007	Var.%
Revenues	270,2	158,2	70,8%	775,4	512,7	51,2%
Costs	-75,2%	-74,6%	72,1%	-73,7%	-73,0%	52,8%
Gross Margin	24,8%	25,4%	66,8%	26,3%	27,0%	47,2%
SGA w/o depreciation	-17,3%	-18,3%	62,0%	-17,6%	-18,5%	43,2%
EBITDA	7,4%	7,1%	79,0%	8,8%	8,5%	55,9%
Depreciation + Amortization	-1,9%	-2,5%	27,4%	-1,9%	-2,5%	13,7%
Operating Profit (Loss)	5,5%	4,6%	107,9%	6,9%	6,0%	73,3%

Argentina

There was a consolidated operating loss of MMUS\$(7.7) in 3Q 2008 in Argentina compared to the same quarter in the previous year. The fall is due to a rise of more than 870 basis points in SGA expenses, without depreciation, because of the start-up of 4 new Sodimac Argentina stores in 2008. This was partially offset by the rise of 150 basis points in the gross margin.

Argentina Consolidated (MMUS\$ and percentage of income)

	3Q'08	3Q'07	Var.%	9M 2008	9M 2007	Var.%
Revenues	104,3	55,4	88,3%	272,5	181,7	50,0%
Costs	-65,7%	-67,2%	84,1%	-64,7%	-66,5%	46,1%
Gross Margin	34,3%	32,8%	96,9%	35,3%	33,5%	57,7%
SGA w/o depreciation	-39,2%	-30,4%	142,7%	-36,4%	-28,9%	89,0%
EBITDA	-4,9%	2,3%	-497,2%	-1,1%	4,7%	-135,8%
Depreciation + Amortization	-2,5%	-2,4%	96,9%	-2,3%	-2,3%	48,9%
Operating Profit (Loss)	-7,5%	-0,1%	26317,1%	-3,4%	2,4%	-316,9%

5. Mall Plaza Chile

On July 30, 2008, S.A.C.I. Falabella reached a 59.278% interest in Plaza S.A., which in turn owns Plaza Vespucio S.A. S.A.C.I. Falabella therefore consolidates all operations of Mall Plaza Chile.

Operating income totaled MMUS\$ 33.7 in 3Q 2008, 62.9% higher than the past year (Plaza Vespucio S.A. was excluded in 2007). For 9M 2008, operating income was MMUS\$81, 34.3%

¹¹ The revenues provided in this section exclude the operations of Banco Falabella Peru in all periods. The results of this bank are shown as a profit on the investment in related companies.



higher than the previous year. This result is mainly the product of the rise of 21.9% in revenues because of the increase in leasable floor space (the enlargements of Mall Plaza El Trebol and Mall Plaza Antofagasta, and the opening of Mall Plaza Alameda) and the inclusion of Plaza Vespucio, which accounts for 18% of the leasable square meters of Plaza S.A.

Consolidated Mall Plaza Companies (MMUS\$ and percentage of income)

	3Q'08	3Q'07	Var.%	9M 2008	9M 2007	Var.%
Revenues	54,2	43,1	25,8%	136,7	112,1	21,9%
Costs	-24,6%	-25,6%	21,0%	-25,1%	-24,6%	24,4%
Gross Margin	75,4%	74,4%	27,4%	74,9%	75,4%	21,1%
SGA	-13,2%	-21,9%	-24,5%	-15,7%	-19,2%	-0,8%
Operating Profit (Loss)	62,2%	52,5%	49,1%	59,3%	56,2%	28,6%
EBITDA	74,7%	57,7%	62,9%	68,4%	62,1%	34,3%

Note: Depreciation is recorded in the cost line.

6. Sociedad de Rentas Falabella (SRF)

During 3Q 2008, operating income totaled MMUS\$ 7.5, a 15.6% rise as compared to the 3Q in the previous year. For 9M 2008, operating income amounted to MMUS\$24.5, a 12.2% increase compared to the past year.



VII. Credit Indicators

1. CMR Card Sales

Cumulative Percentage of Sales using CMR¹²

	9M 2007	2007	1Q 2008	1S 2008	9M 2008
Department Stores - Chile	65,4%	65,3%	62,4%	63,5%	63,5%
Home Improvement - Chile	30,4%	30,3%	29,4%	29,4%	29,3%
Supermarkets - Chile	16,4%	16,9%	16,5%	18,0%	18,9%
Department Stores - Peru	67,7%	67,4%	64,7%	65,4%	65,1%
Home Improvement - Peru	38,8%	37,1%	33,5%	33,9%	34,5%
Supermarkets - Peru	53,8%	52,4%	47,2%	47,7%	47,8%
Department Stores - Argentina	42,9%	42,5%	43,7%	41,2%	40,0%

The CMR card began to be used in Colombia in October 2005. By September 2008, there were 400,617 active CMR cards in Colombia. The percentage of card sales in the Sodimac Colombia stores totaled 12.2% and it was already 32.1% in the four Falabella stores inaugurated in November 2006, April 2007, November 2007 and April 2008.

2. CMR Chile

a. Total Gross Loans (Nominal MMCH\$)

	1Q	2Q	3Q	4Q
2005	439.790	477.509	498.856	550.209
2006	551.211	553.908	549.624	608.236
2007	627.290	656.819	665.797	721.506
2008	723.483	741.764	733.899	

b. Total Loan Provisions (Nominal MMCH\$)

	1Q	2Q	3Q	4Q
2005	-15.445	-16.877	-15.397	-17.975
2006	-21.266	-22.943	-22.081	-23.104
2007	-23.885	-25.906	-29.862	-28.571
2008	-30.824	-33.518	-36.772	

c. Provisions/Loans

	1Q	2Q	3Q	4Q
2005	3,51%	3,53%	3,09%	3,27%
2006	3,86%	4,14%	4,02%	3,80%
2007	3,81%	3,94%	4,49%	3,96%
2008	4,26%	4,52%	5,01%	

d. Cumulative Net Write-offs (Nominal MMCH\$)

	1Q	2Q	3Q	4Q
2005	5.188	7.864	12.725	16.546
2006	4.616	9.457	16.485	22.514
2007	7.034	13.435	21.512	31.325
2008	11.226	20.328	34.268	

Note: Write-offs are net of recoveries

¹² The percentage of sales using CMR refers to the cumulative sales using the card as compared to total cumulative sales by each chain. For Sodimac Chile, the calculation includes retail and wholesale sales. If we only consider retail sales, the cumulative penetration was 33.63% in 9M 2008.



3. Banco Falabella Chile

a. Total Gross Loans (Nominal MMCH\$)

	1Q	2Q	3Q	4Q
2005	279.663	294.864	324.756	351.472
2006	381.344	403.665	430.883	444.159
2007	465.000	474.096	501.073	524.265
2008	547.407	581.780	636.507	

b. Total Loan Provisions (Nominal MMCH\$)

	1Q	2Q	3Q	4Q
2005	-9.680	-9.664	-9.946	-11.081
2006	-11.742	-12.495	-13.307	-14.050
2007	-14.842	-15.293	-16.736	-17.728
2008	-18.221	-18.992	-20.078	

c. Provisions/Loans

	1Q	2Q	3Q	4Q
2005	3,46%	3,28%	3,06%	3,15%
2006	3,08%	3,10%	3,09%	3,16%
2007	3,19%	3,23%	3,34%	3,38%
2008	3,33%	3,26%	3,15%	

d. Cummulative Net Write-offs (Nominal MMCH\$)

	1Q	2Q	3Q	4Q
2005	1.482	3.256	5.295	7.512
2006	2.434	4.682	7.437	11.036
2007	3.585	7.607	12.266	17.162
2008	5.113	9.829	18.628	

Note: Write-offs are net of recoveries

4. Banco Falabella Peru

Note: Banco Falabella Peru uses the provisions schedule indicated by the Peruvian Superintendency of Banking and Insurance, which is characterized by more exigent provision standards than in Chile and portfolio write-offs that start at 121 days.

a. Total Gross Loans (Nominal MUS\$)

	1Q	2Q	3Q	4Q
2005	175.674	194.320	224.967	240.607
2006	253.955	259.930	267.741	304.219
2007	294.472	315.711	324.791	360.529
2008	410.904	408.435	414.833	

b. Total Loan Provisions (Nominal MUS\$)

	1Q	2Q	3Q	4Q
2005	-8.599	-8.448	-9.394	-9.752
2006	-11.158	-14.505	-15.826	-17.282
2007	-18.151	-20.528	-20.813	-21.053
2008	-26.351	-25.726	-26.821	

c. Provisions/Loans

	1Q	2Q	3Q	4Q
2005	4,89%	4,35%	4,18%	4,05%
2006	4,39%	5,58%	5,91%	5,68%
2007	6,16%	6,50%	6,41%	5,84%
2008	6,41%	6,30%	6,47%	

d. Castigos Netos Acumulados (MUS\$ de cada período)

	1Q	2Q	3Q	4Q
2005	1.059	2.184	2.944	3.793
2006	1.141	2.607	4.187	5.746
2007	1.841	3.275	6.184	8.601
2008	3.490	7.278	10.138	

Note: Write-offs are net of recoveries



5. CMR Argentina

Note: As of 4Q 2004, additional voluntary charges are being debited against income of CMR Argentina in order to maintain a total provision on loans of at least 3.0%. If we exclude the voluntary charges from the calculation, loan provisions would total only 2.33%.

a. Total Gross Loans (Nominal MUS\$)				
	1Q	2Q	3Q	4Q
2005	30.683	34.887	35.740	37.729
2006	37.997	42.920	43.946	53.983
2007	51.760	61.402	62.684	72.332
2008	73.232	83.570	79.262	

b. Total Loan Provisions (Nominal MUS\$)				
	1Q	2Q	3Q	4Q
2005	-767	-977	-1.072	-1.132
2006	-1.148	-1.309	-1.322	-1.621
2007	-1.597	-1.842	-1.899	-2.181
2008	-2.221	-2.523	-2.378	

c. Provisions/Loans				
	1Q	2Q	3Q	4Q
2005	2,50%	2,80%	3,00%	3,00%
2006	3,02%	3,05%	3,01%	3,00%
2007	3,09%	3,00%	3,03%	3,02%
2008	3,03%	3,02%	3,00%	

d. Cummulative Net Write-offs (Nominal MUS\$)				
	1Q	2Q	3Q	4Q
2005	-65	-167	-260	-319
2006	-32	-116	-193	-290
2007	-49	-83	-85	-60
2008	82	171	-319	

Note: Write-offs are net of recoveries

6. CMR Colombia

Note: CMR Colombia began operation in October 2005.

a. Total Gross Loans (Nominal MUS\$)				
	1Q	2Q	3Q	4Q
2005				3.434
2006	12.347	18.420	27.111	37.651
2007	43.386	59.244	71.952	90.060
2008	109.122	110.912	102.937	

b. Total Loan Provisions (Nominal MUS\$)				
	1Q	2Q	3Q	4Q
2005				-29
2006	-164	-465	-972	-1.232
2007	-1.402	-1.841	-2.444	-3.453
2008	-4.889	-6.179	-7.130	

c. Provisions/Loans				
	1Q	2Q	3Q	4Q
2005				0,84%
2006	1,33%	2,52%	3,59%	3,27%
2007	3,23%	3,11%	3,40%	3,83%
2008	4,48%	5,57%	6,93%	

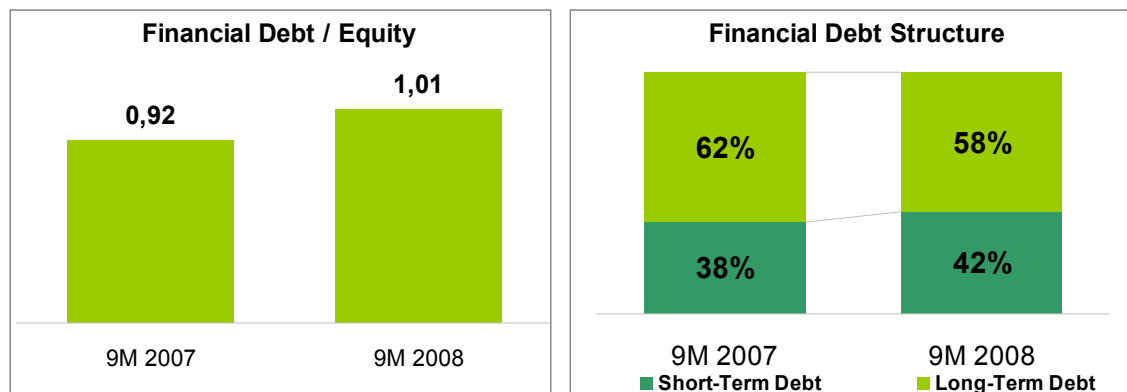
d. Cummulative Net Write-offs (Nominal MUS\$)				
	1Q	2Q	3Q	4Q
2005				0
2006	0	0	94	603
2007	506	1.051	1.672	2.312
2008	1.193	2.573	2.370	

Note: Write-offs are net of recoveries



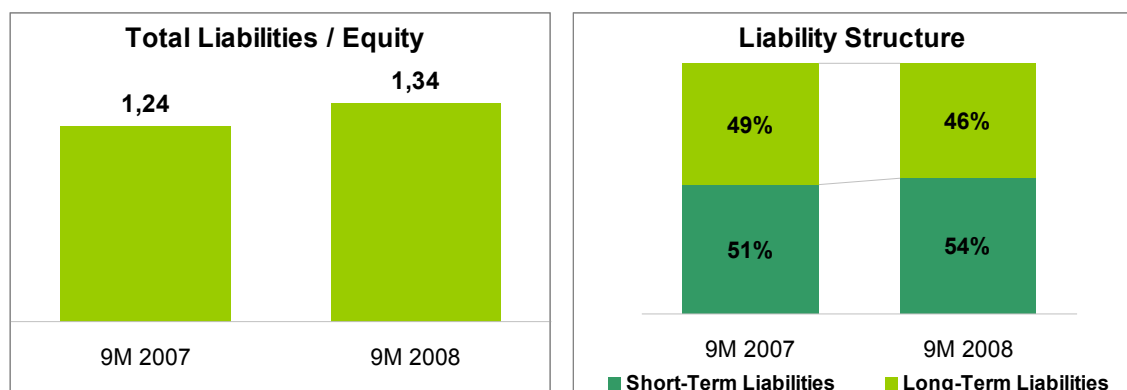
VIII. Financial Structure

1. Financial Debt as of September 30, 2008



Note: Total Financial Debt as of September 30, 2008 was MMCH\$1,795,736 (MMUS\$3,257.2). It includes the credit business debt (excluding Banco Falabella in Peru and Chile). As of 1Q 2007, it also included the financial debt of the Malls Plaza (except for Plaza Vespucio). Starting in 3Q 2008, Mall Plaza Vespucio is included. Relative to short-term financial debt, it is composed in a high proportion by the debt of CMR credit card in Chile. The maturity profile of that debt is directly related to the card credit structure so that there is matching. The average term of the loan portfolio is approximately 150 days and the duration of the short-term financial debt of the card is above 250 days. Therefore, there is a positive gap in the matching. The debt maturities are very atomized and distributed over time so it is hard to find maturities above MMCH\$5,000 at any time. Moreover, CMR has a low leverage, close to 1, and a conservative credit policy, demonstrated by the low level of provisions and write-offs as compared to the industry.

2. Total Liabilities as of September 30, 2008



Note: Liabilities totaled MMCH\$2,383,392 as of September 30, 2008 (MMUS\$4,323.1). This figure includes the credit business debt (except for Banco Falabella in Peru and Chile). As of 1Q 2007, it also includes the liabilities of the Malls Plaza (excluding Plaza Vespucio). Mall Plaza Vespucio is included starting in 3Q 2008.



IX. Stores and Floor Space

1. Chile Department Stores (net m² of floor space)

N°	Store	Selling Space	Opening
1»6	Paseo Ahumada	9.436	Oct-1889
7	Barros Arana	8.402	may-62
8	Parque Arauco	12.190	oct-83
9	Temuco	5.307	may-86
10	Viña del Mar	5.136	sep-87
11	Plaza Vespucio	8.087	ago-90
12	Lyon	7.837	feb-92
13	Rancagua	5.647	feb-92
14	Calama	6.179	may-93
15	Alto Las Condes	9.874	oct-93
16	Plaza Oeste	10.869	nov-94
17	Plaza del Trébol	6.325	abr-95
18	Osorno	3.475	oct-95
19	Chillán	4.659	sep-96
20	Talca	5.132	may-97
21	Copiapó	3.508	mar-98
22	Plaza Tobalaba	7.192	nov-98
23	La Serena	4.963	nov-98
24	Valparaíso	5.565	feb-99
25	Curicó	3.905	sep-00
26	Iquique	5.296	sep-00
27	Puerto Montt	5.946	jul-01
28	Quilpué	4.543	sep-01
29	Plaza Los Angeles	5.158	mar-03
30	Plaza Norte	5.677	nov-03
31	Paseo Puente	7.771	oct-05
32	La Dehesa	7.904	nov-05
33	Antofagasta Mall	9.164	oct-06
34	La Calera	4.907	nov-06
35	Valdivia	4.534	jun-07
36	Melipilla	3.723	jun-07
37	Punta Arenas	5.349	nov-07
38	Manquehue	6.125	mar-08
39	Estación Central	6.839	may-08
TOTAL		216.624	

- Other minor stores:

1	Expo Arica	132
2	Expo San Fernando	440
3	Expo Castro	176
4	Bodega Rosas, Stgo.	3.244
TOTAL		5.576



2. Chile Home Improvement Stores (net m² of floor space)

N°	Store	Selling Space	Opening
1	HC Temuco	8.654	ene-82
2	HC Copiapó	8.895	ene-82
3	Co Viña del Mar	4.517	ene-82
4	Co Valparaíso	668	ene-82
5	Co Talcahuano	1.813	ene-82
6	Co Rancagua	1.783	ene-82
7	Co Maipú	4.306	ene-82
8	Co Castro	335	ene-82
9	HC Concepción	4.669	jun-87
10	HC Las Condes	8.761	mar-88
11	Co Vic. Mackenna	2.949	ene-92
12	Co Antofagasta	9.056	jul-92
13	HC Los Angeles	4.698	1992
14	HC Viña del Mar	7.318	ene-93
15	Co Cantagallo	5.870	ene-93
16	HC La Florida	6.683	jul-93
17	HC Ñuñoa	4.838	sep-93
18	HC Rancagua	10.724	nov-95
19	HC Puente Alto	16.893	oct-96
20	HC Quilpue	8.129	nov-96
21	Co La Florida	6.934	mar-97
22	HC Maipu	14.044	jul-98
23	HC El Trébol	14.456	nov-98
24	HC La Serena	12.545	dic-98
25	Co Reñaca Alto	7.656	dic-98
26	HC Parque Arauco	10.777	oct-99
27	HC Talca	12.522	dic-00
28	HC Calama	6.705	nov-01
29	HC San Miguel	13.061	nov-01
30	HC La Reina	13.207	abr-02
31	Co Vallenar	3.621	may-02
32	HC Ñuble	10.935	jun-02
33	HC Valdivia	8.288	sep-02
34	HC Nueva La Florida	18.461	nov-02
35	HC SS Temuco	13.370	abr-03
36	HC Huechuraba	11.630	nov-03
37	HC Villarrica	6.530	feb-04
38	HC Osorno	8.545	jul-05
39	HC Angol	4.214	sep-05
40	HC Chillan	8.781	dic-05
41	HC Coyhaique	5.740	ene-06
42	HC Curico	8.012	mar-06
43	HC Coquimbo	5.882	mar-06
44	HC Plaza Oeste	14.696	may-06
45	HC La Calera	8.030	jul-06
46	HC Pto.Montt	9.514	ago-06
47	HC Plaza Vespucio	11.433	sep-06
48	Co Fontova	6.720	sep-06
49	HC San Felipe	8.685	nov-06
50	HC Arica	8.747	dic-06
51	HC Iquique	9.955	feb-07
52	HC Antofagasta	10.718	abr-07
53	HC Plaza Concepción	11.343	jun-07
54	HC Punta Arenas	8.192	ago-07
55	HC Linares	7.040	nov-07
56	HC Estación Central	10.615	sep-08
Sub Total		473.163	

N°	Store	Selling Space	Opening
1	Imperial Santa Rosa	9.442	1974
2	Imperial Mapocho	10.803	1999
3	Imperial Maipú	3.790	2001
4	Imperial Peñalolén	1.802	2001
5	Imperial La Florida	974	2002
6	Imperial Valparaíso	1.567	2003
7	Imperial Concepción	7.781	2007
8	Imperial Huechuraba	3.007	Abr-08

Sub Total Imperial	39.166
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TOTAL SODIMAC	512.329
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3. San Francisco Supermarkets - Chile (net m² of floor space)

N°	Store	Selling Space	Opening
1	Talagante Plaza	3.145	1964
2	San Bernardo Plaza	6.290	1986
3	El Monte	962	1951
4	Buín	5.389	1995
5	San Bernardo Estación	3.161	1996
6	Peñaflor	3.926	1999
7	Rengo	2.014	2000
8	Melipilla	2.462	2001
9	San Antonio	2.827	oct-04
10	Talagante Cordillera	3.000	feb-05
11	Tottus Puente Alto	5.055	dic-05
12	Tottus Nataniel	4.296	mar-06
13	Tottus La Calera	3.511	jul-06
14	Tottus Fontova	4.591	sep-06
15	Tottus Mall Antofagasta	5.180	sep-06
16	Tottus Plaza Oeste	5.149	dic-06
17	Tottus Puente Alto II	4.580	ene-07
18	Tottus La Florida	4.971	mar-07
19	Tottus Megacenter	7.200	jul-07
20	Tottus Antofagasta Centro	5.584	sep-07
21	Tottus Colina	4.818	oct-07
22	Tottus Alameda	4.209	jul-08
TOTAL		92.320	



4. Peru¹³

i) Department Stores (net m² of floor space)

N°	Store	Selling Space	Opening
1	San Isidro	11.848	1995
2	San Miguel	10.767	1995
3	Jockey Plaza	10.739	1997
4	Lima Centro	5.571	1998
5	Trujillo	569	2001
6	Piura	2.485	2001
7	Arequipa	4.915	2002
8	Miraflores	7.074	oct-05
9	Chiclayo Mall	6.130	oct-05
10	Megaplaza	9.096	oct-06
11	Cajamarca	998	mar-07
12	Ica	660	may-07
13	Trujillo Mall	5.995	nov-07
TOTAL		76.847	

ii) Home Improvement (net m² of floor space)

N°	Store	Selling Space	Opening
1	Sodimac San Miguel	11.728	2004
2	Sodimac Megaplaza	9.998	May-05
3	Sodimac Atocongo	8.300	Abr-06
4	Sodimac Javier Prado	8.257	Mar-07
5	Sodimac Chiclayo	7.626	Nov-07
6	Sodimac Trujillo Mall	7.724	Nov-07
7	Sodimac Ica Constructor	5.189	Nov-07
8	Sodimac Centro de Lima	8.396	Feb-08
TOTAL		67.217	

iii) Supermarkets (net m² of floor space)

N°	Store	Selling Space	Opening
1	Tottus Megaplaza	8.391	2002
2	Tottus San Isidro	5.616	2003
3	Tottus San Miguel	9.097	2004
4	Tottus Atocongo	7.231	Abr-06
5	Tottus Chorrillos	5.300	Nov-07
6	Tottus Chiclayo	5.800	Nov-07
7	Tottus Trujillo Mall	6.700	Nov-07
8	Tottus Quilca	4.350	Dic-07
9	Tottus Saenz Peña	2.116	Feb-08
TOTAL		54.601	

¹³ The downtown Lima store includes the Lima La Merced store (just household appliances). The Chiclayo store was also closed (356 m²).



5. Argentina

i) Department Stores (net m² of floor space)

N°	Store	Selling Space	Opening
1	Mendoza	5.456	mar-93
2	Rosario	5.905	dic-94
3	Córdoba	6.219	may-97
4	San Juan	2.640	oct-97
5	Buenos Aires (Unicenter)	10.597	mar-99
6»8	Buenos Aires (Florida)	11.478	nov-07
9	Alto Avellaneda	8.150	abr-08

TOTAL	50.445
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ii) Home Improvement Stores (net m² of floor space)

N°	Store	Selling Space	Opening
1	Sodimac San Martín	12.714	feb-08
2	Sodimac Malvinas Argentinas	12.639	abr-08
3	Sodimac San Justo	11.930	ago-08

TOTAL	37.283
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6. Colombia

i) Department Stores (net m² of floor space)

N°	Store	Selling Space	Opening
1	Santa Fe	10.268	Nov-06
2	Suba	8.597	Abr-07
3	San Diego	9.000	Nov-07
4	Hayuelos	7.970	Abr-08

TOTAL	35.835
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ii) Home Improvement (net m² of floor space)

N°	Store	Selling Space	Opening
1	HC Las Américas	2.017	1994
2	HC Calle 80	12.746	1997
3	HC Sur	10.465	1998
4	HC Norte	12.841	1999
5	HC Medellín	8.626	2002
6	HC Cali Sur	12.544	2003
7	HC Barranquilla	13.115	2004
8	HC Pereira	13.241	Jul-05
9	HC El Dorado	11.326	Nov-05
10	HC Medellín San Juan	13.718	Jul-06
11	HC Cali Norte	13.306	Feb-07
12	HC Suba	6.256	Mar-07
13	HC Soacha	7.275	Jun-07
14	HC Ibagué	10.010	Jul-07
15	HC Cartagena	8.062	Nov-07
16	HC Bello	6.768	Sep-08

TOTAL	162.316
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X. Financial Statements of S.A.C.I. Falabella - FECU



S.A.C.I. FALABELLA
CONSOLIDATED BALANCE SHEETS
 Expressed in Millions of Chilean Pesos as of September 30 2008

	2008	2007
ASSETS		
Current Assets	1.675.778	1.441.194
Cash	50.825	62.005
Time deposits	3.398	635
Marketeable securities	4.281	19.295
Trade receivables	804.001	774.734
Notes receivables	44.106	37.196
Other receivables	55.061	37.501
Notes and accounts receivable from related parties	32.484	27.544
Inventories	533.153	401.182
Recoverable taxes	59.166	39.946
Prepaid expenses	24.363	24.794
Deferred income taxes	19.221	12.505
Other current assets	45.721	3.857
Leasing agreements	0	0
Leasing assets	0	0
Property, Plant and Equipment	1.704.637	1.288.595
Land	366.929	300.424
Buildings and infrastructure	856.601	601.201
Machinery and equipment	212.772	168.981
Other property, plant and equipment	725.577	601.501
Technical reappraisal of property, plant and equipment	133	1.996
Accumulated depreciation	(457.375)	(385.507)
Other Assets	782.953	788.721
Investments in related companies	178.045	183.200
Investments in other societies	320	2.856
Goodwill	270.935	314.764
Negative goodwill	(3)	(254)
Long Term receivables	133.586	115.314
Notes and accounts receivable from relates parties	1.055	1.916
Deferred income taxes	0	0
Intangibles assets	198.373	170.122
Amortization	(15.562)	(12.778)
Other long-term assets	16.203	13.580
Long-term leasing	0	0
Total Assets	4.163.368	3.518.511



S.A.C.I. FALABELLA
CONSOLIDATED BALANCE SHEETS

Expressed in Millions of Chilean Pesos as of September 30 2008

	2008	2007
LIABILITIES		
Current Liabilities	1.282.849	997.731
Short-term bank borrowings	628.067	447.230
Current portion of long-term bank borrowings	66.475	73.230
Obligations with the public (promissory notes)	29.716	3.056
Current portion of bonds payable	35.398	27.606
Current portion of long-term borrowings	0	0
Dividends to be paid	888	283
Trade account payables	384.424	308.609
Documents payable	33.926	13.435
Sundry creditors	19.927	21.399
Notes and accounts payable to related companies	6.660	43.141
Accruals	43.293	33.770
Withholdings	14.669	15.581
Income tax	7.445	2.871
Unearned income	11.267	6.785
Deferred taxes	0	0
Other short-term liabilities	693	734
Total long-term liabilities	1.100.544	947.630
Long-term bank borrowings	537.413	425.074
Bonds payable	498.667	469.679
Documents payable - long-term	0	0
Sundry creditors	494	356
Notes and accounts payable to related companies	0	0
Accruals	1.257	1.932
Deferred taxes	48.736	41.882
Other long-term liabilities	13.975	8.706
Minority interest	154.166	85.834
Shareholder's Equity	1.625.810	1.487.316
Paid-in capital	488.975	497.450
Capital revaluation reserve	33.736	25.360
Additional paid-in capital	3.576	2.370
Other reserves	(20.875)	(26.762)
Retained earnings	1.120.399	988.898
Reserve for future dividends	0	0
Accumulated profits	976.701	863.283
Accumulated loss	0	0
Net income (loss)	143.698	150.013
Interim dividends	0	(24.398)
Deficit from development period	0	0
Total Liabilities	4.163.368	3.518.511



S.A.C.I. FALABELLA
CONSOLIDATED INCOME STATEMENT

Expressed in Millions of Chilean Pesos as of September 30 2008

	2008	2007
Operating Income	235.843	214.020
Gross Margin	753.449	624.353
Revenues	2.597.608	2.188.686
Cost of sales	(1.844.159)	(1.564.333)
Selling , general and administrative expenses	(517.606)	(410.334)
Non-operating Income	(34.185)	(21.373)
Financial income	8.552	5.976
Profit on investments in related companies	28.920	34.771
Other non-operating income	30.773	22.355
Loss on investment in related companies	(30)	0
Amortization of goodwill	(13.524)	(14.253)
Financial expenses	(48.177)	(34.510)
Other non-operating expenses	(12.374)	(8.036)
Price-level restatement	(30.734)	(22.749)
Exchange differentials	2.409	(4.927)
Profit Before Income Tax & Extraordinary Items	201.658	192.646
Income Tax	(37.182)	(30.238)
Extraordinary Items	0	0
Profit (loss) before minority interest	164.476	162.408
Minority interest	(20.779)	(12.397)
Net profit (loss)	143.697	150.011
Amortization of negative goodwill	2	2
Profit (loss) in the fiscal year	143.698	150.013



S.A.C.I. FALABELLA
CONSOLIDATED STATEMENT OF CASH FLOWS
 Expressed in Millions of Chilean Pesos as of September 30 2008

	2008	2007
Cash Flows From Operating Activities	183.149	157.758
Collection of trade receivables	3.263.228	2.715.378
Financial income received	6.044	6.120
Dividends received	44.779	15.853
Other income received	17.854	20.064
Payments to suppliers and personnel	(2.943.467)	(2.486.733)
Interest paid	(62.125)	(33.487)
Income tax payments	(49.704)	(18.206)
Other expenses	(21.462)	(3.498)
VAT and other taxes paid	(71.999)	(57.733)
Cash Flows From Financing Activities	122.688	114.071
Proceeds from issuance of common stock	50.647	14.316
Borrowings from banks	762.119	552.425
Proceeds from issuance of bonds	108.173	36.718
Borrowings from related companies	14	0
Other borrowings from related companies	8.607	346
Other sources of financing	1.829	673
Payment of dividends	(116.942)	(92.578)
Distribution of capita	0	0
Payment of loans	(659.716)	(385.258)
Payment of public liabilities incurred	(17.214)	(12.371)
Payment of related companies loans	(12.655)	0
Payment of other related companies loans	0	(0)
Payment of common stock issuance costs	(249)	(202)
Payment of bond issuance costs	(905)	0
Other payments	(1.019)	0
Cash Flows From Investing Activities	(296.985)	(293.827)
Proceeds from sales of property, plant and equipment	15.328	3.515
Proceeds from sales of long-term investments	1	0
Proceeds from sales of other investments	0	0
Collection of loans to related companies	78.680	0
Collections of other loans to related companies	45.901	0
Other investment income	11.122	269
Additions to property, plant and equipment	(310.509)	(164.797)
Payment of interest capitalized	(1.922)	0
Purchase of permanent investments	(88.293)	(52.862)
Investments in financial instruments	(3.113)	(335)
Loans to related companies	0	0
Other payments to related companies	(44.180)	(78.465)
Other payments of investments	0	(1.153)
Net Cash Flow	8.853	(21.999)
Price-level Restatements of Cash and Cash Equivalents	(3.225)	(2.145)
Net Increase (Decrease) in Cash and Cash Equivalents	5.627	(24.144)
Cash and Cash Equivalents at Beginning of Period	87.466	106.079
Cash and Cash Equivalents at End of Period	93.094	81.935



S.A.C.I. FALABELLA
CONSOLIDATED RECONCILIATION BETWEEN NET INCOME AND CASH FLOWS

Expressed in Millions of Chilean Pesos as of September 30 2008

	2008	2007
Income on sale of assets	(193)	(149)
Gain on sales of property, plant and equipment	(193)	(149)
Gain on sales of investments	0	0
Loss on sales of investments	0	0
Gain (loss) on sales of other assets	0	0
Other Debits (Credits) to income that do not represent cash flows	197.126	127.614
Depreciation	59.939	48.113
Amortization of Intangibles	5.229	3.723
Write-offs and provisions	100.063	64.365
Equity in gains of unconsolidated affiliates	(28.920)	(34.771)
Equity in losses of unconsolidated affiliates	30	0
Amortization of goodwill	13.524	14.253
Amortization of negative goodwill	(2)	(2)
Price-level restatement	30.734	22.749
Exchange differentials	(2.409)	4.927
Other credits to income that do not represent cash flows	(3.491)	(23.238)
Other debits to income that do not represent cash flows	22.429	27.495
Changes in operating assets	(236.825)	(201.492)
Receivables	(115.893)	(168.638)
Inventories	(128.482)	(39.998)
Other current assets	7.551	7.145
Changes in operating liabilities	56.847	69.375
Trade accounts payable and notes payables relating to operating activities	85.066	68.253
Taxes to be paid	(15.832)	4.610
Net income tax	1.773	(854)
Other trade accounts payable relating to operating activities	3.833	2.694
VAT and other taxes	(17.993)	(5.328)
Income attributable to minority interest	20.779	12.397
Net cash provided by operating activities	183.149	157.758



**S.A.C.I. FALABELLA
INDIVIDUAL BALANCE SHEETS**

Expressed in Millions of Chilean Pesos as of September 30 2008

	2008	2007
ASSETS		
Current Assets	302.979	340.371
Cash	3.184	17.753
Time deposits	0	0
Marketeable securities	0	6.775
Trade receivables	2.127	3.600
Notes receivables	5.183	6.594
Other receivables	2.188	3.193
Notes and accounts receivable from related parties	176.206	173.299
Inventories	102.137	109.647
Recoverable taxes	1.644	1.653
Prepaid expenses	4.023	10.287
Deferred income taxes	2.558	2.675
Other current assets	3.729	4.895
Leasing agreements	0	0
Leasing assets	0	0
Property, Plant and Equipment	110.276	95.181
Land	0	0
Buildings and infrastructure	0	0
Machinery and equipment	16.289	16.206
Other property, plant and equipment	215.797	169.172
Technical reappraisal of property, plant and equipment	0	0
Accumulated depreciation	(121.810)	(90.196)
Other Assets	1.799.925	1.670.386
Investments in related companies	1.777.433	1.642.330
Investments in other societies	0	0
Goodwill	9.548	10.453
Negative goodwill	0	0
Long Term receivables	113	52
Notes and accounts receivable from relates parties	2.812	2.850
Deferred income taxes	0	0
Intangibles assets	530	617
Amortization	(119)	(121)
Other long-term assets	9.608	14.207
Long-term leasing	0	0
Total Assets	2.213.180	2.105.939



S.A.C.I. FALABELLA
INDIVIDUAL BALANCE SHEETS

Expressed in Millions of Chilean Pesos as of September 30 2008

	2008	2007
LIABILITIES		
Current Liabilities	138.023	149.434
Short-term bank borrowings	12.849	6.421
Current portion of long-term bank borrowings	0	1.741
Obligations with the public (promissory notes)	19.856	0
Current portion of bonds payable	7.409	7.456
Current portion of long-term borrowings	0	0
Dividends to be paid	141	141
Trade account payables	1.503	66.844
Documents payable	0	1.553
Sundry creditors	16	1.710
Notes and accounts payable to related companies	87.590	57.728
Accruals	1.608	2.038
Withholdings	127	442
Income tax	0	0
Unearned income	6.926	3.362
Deferred taxes	0	0
Other short-term liabilities	0	0
Total long-term liabilities	449.347	469.189
Long-term bank borrowings	0	0
Bonds payable	423.702	425.802
Documents payable - long-term	0	0
Sundry creditors	0	0
Notes and accounts payable to related companies	19.456	39.901
Accruals	104	777
Deferred taxes	6.017	2.639
Other long-term liabilities	67	69
Minority interest	0	0
Shareholder's Equity	1.625.810	1.487.316
Paid-in capital	488.975	497.450
Capital revaluation reserve	33.736	25.360
Additional paid-in capital	3.576	2.370
Other reserves	(20.875)	(26.762)
Retained earnings	1.120.399	988.898
Reserve for future dividends	0	0
Accumulated profits	976.701	863.283
Accumulated loss	0	0
Net income (loss)	143.698	150.013
Interim dividends	0	(24.398)
Deficit from development period	0	0
Total Liabilities	2.213.180	2.105.939



S.A.C.I. FALABELLA
INDIVIDUAL INCOME STATEMENT

Expressed in Millions of Chilean Pesos as of September 30 2008

	2008	2007
Operating Income	18.134	7.404
Gross Margin	165.209	152.329
Revenues	546.571	550.136
Cost of sales	(381.362)	(397.807)
Selling , general and administrative expenses	(147.075)	(144.925)
Non-operating Income	126.130	142.675
Financial income	1.619	2.072
Profit on investments in related companies	154.204	164.844
Other non-operating income	4.779	8.375
Loss on investment in related companies	(1.050)	(1.027)
Amortization of goodwill	(674)	(675)
Financial expenses	(19.005)	(17.609)
Other non-operating expenses	(4.832)	(1.301)
Price-level restatement	(11.340)	(8.685)
Exchange differentials	2.429	(3.318)
Profit Before Income Tax & Extraordinary Items	144.264	150.079
Income Tax	0	0
Extraordinary Items	0	0
Profit (loss) before minority interest	143.698	150.013
Minority interest	0	0
Net profit (loss)	143.698	150.013
Amortization of negative goodwill	0	0
Profit (loss) in the fiscal year	143.698	150.013



S.A.C.I. FALABELLA
INDIVIDUAL STATEMENT OF CASH FLOWS
 Expressed in Millions of Chilean Pesos as of September 30 2008

	2008	2007
Cash Flows From Operating Activities	148.374	106.620
Collection of trade receivables	724.702	705.330
Financial income received	200	2.232
Dividends received	18.851	63.762
Other income received	8.930	7.987
Payments to suppliers and personnel	(564.000)	(661.771)
Interest paid	(15.798)	(2.980)
Income tax payments	(1.826)	(795)
Other expenses	(10.941)	(1.336)
VAT and other taxes paid	(11.743)	(5.810)
Cash Flows From Financing Activities	(64.791)	(103.250)
Proceeds from issuance of common stock	1.400	2.594
Borrowings from banks	41.884	908
Proceeds from issuance of bonds	19.835	0
Borrowings from related companies	9.017	0
Other borrowings from related companies	36.373	0
Other sources of financing	0	0
Payment of dividends	(47.099)	(84.382)
Distribution of capita	0	0
Payment of loans	(66.333)	(1.753)
Payment of public liabilities incurred	(1.314)	0
Payment of related companies loans	(15.836)	0
Payment of other related companies loans	(42.267)	(20.617)
Payment of common stock issuance costs	0	0
Payment of bond issuance costs	(425)	0
Other payments	(26)	0
Cash Flows From Investing Activities	(101.927)	(29.618)
Proceeds from sales of property, plant and equipment	483	0
Proceeds from sales of long-term investments	0	0
Proceeds from sales of other investments	0	0
Collection of loans to related companies	0	0
Collections of other loans to related companies	321	0
Other investment income	692	0
Additions to property, plant and equipment	(28.225)	(26.794)
Payment of interest capitalized	0	0
Purchase of permanent investments	(41.465)	(2.824)
Investments in financial instruments	0	0
Loans to related companies	0	0
Other payments to related companies	(33.528)	0
Other payments of investments	(206)	0
Net Cash Flow	(18.344)	(26.249)
Price-level Restatements of Cash and Cash Equivalents	(349)	(851)
Net Increase (Decrease) in Cash and Cash Equivalents	(18.693)	(27.099)
Cash and Cash Equivalents at Beginning of Period	21.877	51.627
Cash and Cash Equivalents at End of Period	3.184	24.528



S.A.C.I. FALABELLA
INDIVIDUAL RECONCILIATION BETWEEN NET INCOME AND CASH FLOWS

Expressed in Millions of Chilean Pesos as of September 30 2008

	2008	2007
Income on sale of assets	35	0
Gain on sales of property, plant and equipment	35	0
Gain on sales of investments	0	0
Loss on sales of investments	0	0
Gain (loss) on sales of other assets	0	0
Other Debits (Credits) to income that do not represent cash flows	(125.673)	(137.631)
Depreciation	12.951	10.872
Amortization of Intangibles	40	30
Write-offs and provisions	7.246	4.272
Equity in gains of unconsolidated affiliates	(154.204)	(164.844)
Equity in losses of unconsolidated affiliates	1.050	1.027
Amortization of goodwill	674	675
Amortization of negative goodwill	0	0
Price-level restatement	11.340	8.685
Exchange differentials	(2.429)	3.318
Other credits to income that do not represent cash flows	(2.533)	(1.666)
Other debits to income that do not represent cash flows	191	0
Changes in operating assets	87.121	113.470
Receivables	69.232	49.581
Inventories	(6.950)	127
Other current assets	24.840	63.762
Changes in operating liabilities	43.192	(19.233)
Trade accounts payable and notes payables relating to operating activities	46.153	(26.899)
Taxes to be paid	1.109	9.621
Net income tax	(577)	(855)
Other trade accounts payable relating to operating activities	(2.809)	1.336
VAT and other taxes	(684)	(2.436)
Income attributable to minority interest	0	0
Net cash provided by operating activities	148.374	106.620



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Click on “Inversionistas” at the page bottom.

The information in this report was prepared on the basis of the Uniform Codified Statistical Record (FECU) reported to the Superintendency of Securities and Insurance (SVS).

S.A.C.I. Falabella assumes no liability for damages, injuries or losses that may result from the interpretation of this report or the evolution of markets, in particular the stock exchange.