



EARNINGS REPORT 4th Quarter 2008

S.A.C.I. FALABELLA



February 2009



Earnings – Fourth 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 December 31, 2008 and the observed dollar exchange rate for January 2, 2009 (CH\$636.45 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 accumulated as of December grew 21.3%, totaling MMCH\$ 3,727,187 (MMUS\$ 5,856.2). In 4Q 2008, the growth was even more significant (+28.3%), totaling MMCH\$ 1,082,822 (MMUS\$ 1,701.3). This was mainly due to the expansion of international operations (+121%) in 4Q, driven by the opening of 14 stores in Peru and the takeover of 5 Casa Estrella stores in Colombia during the quarter.
- The growth of revenues in 2008 is mainly the result of the implementation of a significant expansion plan, particularly across international operations. A total of 39 stores were opened (26 in 4Q 2008) and 3 malls. Of such total, 16 were opened in Peru, 10 in Chile, 8 in Colombia (including the takeover of 5 Casa Estrella stores) and 5 in Argentina.
- The cumulative EBITDA as of December grew 8.1%, to MMCH\$ 429,451 (MMUS\$ 674.8), which represents 11.5% over revenues. In 4Q of 2008, the EBITDA decreased 2.8%, to MMCH\$ 126,324 (MMUS\$ 198.5).
- There was a non-operating loss of MMCH\$ 60,099 (MMUS\$ 94.4) accumulated as of December 2008 as compared to a loss of MMCH\$ 39,273 in 2007. The increase in loss was mainly due to the increase in Interest Expense and Price-Level Restatement. In 4Q 2008, the non-operating loss was MMCH\$ 25,298 as compared to the loss of MM\$ 17,514 in the same period of 2007.
- Therefore, profit before taxes and extraordinary items accumulated as of December 2008 totaled MMCH\$ 281,705, a drop of 3.3% compared to 2007. The consolidated net profit of Falabella as of December 2008 decreased 14.5%, to MMCH\$ 202,013 (MMUS\$ 317.4) as compared to the previous year. In 4Q 2008, the consolidated net profit dropped 33.4%, totaling MMCH\$ 55,728 (MMUS\$87.6).
- In terms of leverage, the indicator went from 1.37 to 1.31, despite the consolidation of Mall Plaza Vespucio.

Note:

1. In 3Q 2008, the subsidiary Falabella Retail S.A. was incorporated. This company will develop the department store business in Chile. Therefore, the individual FECU of SACI Falabella no longer shows such business (in effect since 3Q 2008).
2. The consolidated financial statements of S.A.C.I. Falabella do not consolidate the operations of Banco Falabella Chile, Banco Falabella Peru and Financiera CMR Colombia even though control is held in such companies.



II. Consolidated Income Statement as of December 31, 2008

Consolidated Income Statement January – December 2008 (MMCHS)

	2008	% Revenues	2007	% Revenues	Var. 08/07
Revenues	3.727.187		3.071.798		21,3%
COGS (less)	(2.658.580)	-71,3%	(2.176.661)	-70,9%	22,1%
GROSS MARGIN	1.068.607	28,7%	895.138	29,1%	19,4%
SG&A (less)	(726.803)	-19,5%	(564.530)	-18,4%	28,7%
OPERATING INCOME	341.803	9,2%	330.608	10,8%	3,4%
Depreciation + Amortization (less)	(87.648)	-2,4%	(66.792)	-2,2%	31,2%
EBITDA	429.451	11,5%	397.400	12,9%	8,1%
Interest Income	13.323		9.184		45,1%
Profit on investment in related companies	35.352		45.705		-22,7%
Other non-operating income	39.359		26.599		48,0%
Lost on investment in related companies (less)	0		0		n/a
Amortization of goodwill	(18.393)		(18.339)		0,3%
Interest expenses (less)	(73.486)		(47.854)		53,6%
Other non-operating expenses (less)	(21.078)		(13.808)		52,7%
Price-level restatement	(46.039)		(38.147)		20,7%
Exchange differentials	10.864		(2.612)		-515,8%
NON-OPERATING PROFIT (LOSS)	(60.099)	-1,6%	(39.273)	-1,3%	53,0%
PROFIT BEFORE INCOME TAX & EXTRAORD. ITEMS	281.705	7,6%	291.336	9,5%	-3,3%
INCOME TAX	(43.438)		(33.739)		28,7%
MINORITY INTEREST	(36.256)		(21.189)		71,1%
NET PROFIT (LOSS)	202.011		236.407		-14,5%
Amortization of negative goodwill	2		3		-42,1%
PROFIT (LOSS) IN THE FISCAL YEAR	202.013	5,4%	236.411	7,7%	-14,5%
Adjusted EBITDA¹	464.803	12,5%	443.105	14,4%	4,9%

Consolidated Income Statement October – December 2008 (MMCHS)

	4Q'08	% Revenues	4Q'07	% Revenues	Var. 08/07
Revenues	1.082.822		843.716		28,3%
COGS (less)	(781.226)	-72,1%	(584.170)	-69,2%	33,7%
GROSS MARGIN	301.596	27,9%	259.546	30,8%	16,2%
SG&A (less)	(199.880)	-18,5%	(146.810)	-17,4%	36,1%
OPERATING INCOME	101.716	9,4%	112.736	13,4%	-9,8%
Depreciation + Amortization (less)	(24.608)	-2,3%	(17.206)	-2,0%	43,0%
EBITDA	126.324	11,7%	129.942	15,4%	-2,8%
Interest Income	4.617		3.101		48,9%
Profit on investment in related companies	5.942		10.308		-42,4%
Other non-operating income	8.032		3.842		109,1%
Lost on investment in related companies (less)	0		0		n/a
Amortization of goodwill	(4.625)		(3.829)		20,8%
Interest expenses (less)	(24.442)		(12.723)		92,1%
Other non-operating expenses (less)	(8.481)		(5.627)		50,7%
Price-level restatement	(14.752)		(14.989)		-1,6%
Exchange differentials	8.411		2.404		249,9%
NON-OPERATING PROFIT (LOSS)	(25.298)	-2,3%	(17.514)	-2,1%	44,4%
PROFIT BEFORE INCOME TAX & EXTRAORD. ITEMS	76.417	7,1%	95.222	11,3%	-19,7%
INCOME TAX	(5.587)		(2.957)		89,0%
MINORITY INTEREST	(15.103)		(8.569)		76,2%
NET PROFIT (LOSS)	55.728		83.696		-33,4%
Amortization of negative goodwill	0		1		-91,2%
PROFIT (LOSS) IN THE FISCAL YEAR	55.728	5,1%	83.698	9,9%	-33,4%
Adjusted EBITDA¹	132.266	12,2%	140.251	16,6%	-5,7%

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



III. Analysis of Consolidated Results

Operating Income

The consolidated operating income accumulated as of December 2008 rose 3.4%, to MMCH\$ 341,803 (MMUS\$ 537.0). The growth was mainly due to the increase in the international operations in Peru and Colombia, and to the consolidation of Plaza Vespucio starting July 30, 2008. The Ebitda as of December increased 8.1%. The difference in growth as compared to operating income was due mainly to an increase in depreciation of Mall Plaza (due to the opening of 3 new malls: 2 in Chile and 1 in Peru). Moreover, the consolidated operating income represented 9.2% of sales, 159 basis points below the previous year. This is mainly the result of the increase in expenses in Argentina (affected by the start-up of Sodimac Argentina) and a drop in the margin of CMR Chile.

In 4Q 2008, operating income dropped 9.8%, to 9.4% of revenues.

Revenues

Revenues rose 21.3% in 2008, to MMCH\$ 3,727,187 (MMUS\$ 5,856.2). These revenues were driven mainly by the growth in the international businesses (+76.0%), in Tottus-San Francisco (+19.5%) and in Sodimac (+8.7%). Moreover, the increase came from a 21.8% expansion in floor space in the past year and a consolidated SSS growth of an approximate nominal 9.0%. Revenues in 4Q 2008 totaled MMCH\$ 1,082,822 (MMUS\$ 1,701.3), i.e. a 28.3% growth as compared to the previous year.

Gross Margin

The cumulative gross margin in 2008 grew 19.4% as compared to 2007, totaling MMCH\$ 1,068,607 (MMUS\$ 1,679.0), representing a drop of 47 basis points as a percentage of revenues. This decrease is mainly due to the drop in the gross margin in CMR Chile. The consolidated gross margin of 4Q 2008 grew 16.2%, totaling MMCH\$ 301,596 (MMUS\$ 473.9) and representing 27.9% of sales.

Selling, General and Administrative Expenses (SGA)

During 2008, expenses rose 112 basis points to MMCH\$ 726,803 (MMUS\$ 1,142.0) or 19.5% as a percentage of sales. 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 Falabella department stores in Chile and in Tottus-San Francisco. In 4Q 2008, SGA rose 106 basis points as a percentage of sales, totaling 18.5% on revenues or MMCH\$ 199,880 (MMUS\$ 314.1).

Non-Operating Profit (Loss)

In 2008, there was a non-operating loss of MMCH\$ 60,099 (MMUS\$ 94.4) as compared to a loss of MMCH\$ 39,273 in 2007. In 4Q 2008, this loss totaled MMCH\$ 25,298 (MMUS\$ 39.7) compared to a loss of MMCH\$ 17,514 in the same period in 2007.

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



- Interest Expense net of Interest Income: the loss rose MMCH\$ 21,494 (MMUS\$ 33.8), 55.6% higher than 2007. The rise is due mainly to an increase in interest-bearing debt in international operations as a result of the significant investment plan and, secondly, the increase in Mall Plaza Chile because of the consolidation of Plaza Vespucio starting July 30, 2008.
- Price-Level Restatement: The loss because of price-level restatement rose MMCH\$ 7,892, 21%, totaling MMCH\$ 46,039 (MMUS\$ 72.3). When IFRS is implemented, the price-level restatement item will be eliminated from the Income Statement.
- Profit/loss on investments in related companies: Profits decreased MMCH\$ 10,353 (MMUS\$ 16.3), a drop of 22.7%. This effect can be explained mainly by the following related investments:
 - Companies where recognized profits decreased:
 - Banco Falabella Chile: decreased 61.6% to MMCH\$ 6,319 as of December 2008.
 - Plaza Vespucio: As from July 30, 2008, this operation is consolidated, so it no longer was considered in profits on investment in related companies. Therefore, recognized profits of Plaza Vespucio in this line dropped 32.1%, MMCH\$ 4,941.
 - FASA: The recognized profit fell by MMCH\$ 1,468 in 2008, to MMCH\$ 146.
 - Companies where recognized profits increased:
 - Banco Falabella Peru (including CMR Peru): The recognized profit in this operation rose 14.5%, to MMCH\$ 16,502, even though the Peruvian Banking and Insurance Commission required all banks in Peru to provision an additional 1.5% on the total loan portfolio in 4Q 2008, which had an impact of approximately MMCH\$ 2,500.
 - Sodimac Colombia: The recognized profit rose MMCH\$ 5,294, 28.6%.
 - CMR Colombia: The recognized profit rose MMCH\$ 970, 123%.

The above increase in losses was partially offset by the following increases in profits:

- Exchange Differential: The profit totaled MMCH\$ 10,864 (MMUS\$ 17.1) as compared to the loss of MMCH\$ 2,612 in 2007. This was because of the strong U.S. dollar revaluation relative to the Chilean peso, which affected the result of foreign operations pursuant to Bulletin No. 64.
- Other Non-Operating Income and Expenses (net): In 2008, they totaled MMCH\$ 18,281, i.e. MMCH\$ 5,490 above the previous year. 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, by the loss on asset retirement (MMCH\$ 2,911) and by the extraordinary income of MMCH\$ 5,206 earned at Mall La Dehesa in 2007.



IV. Main Events in the Period

4Q 2008

- Chile:
 - Falabella: Osorno store enlarged (Nov-08) and new Plaza Sur store opened (Nov-08).
 - Homecenter: Los Angeles store relocated (Oct-08), new El Bosque store opened (Oct-08), new Plaza Sur store opened (Nov-08) and Calama store enlarged (Nov-08).
 - Tottus: new store El Bosque opened (Nov-08).
 - Mall Plaza (MP): new “Aires” space in MP Vespucio(Nov-08) and new MP Sur(Nov-08).
- Peru:
 - Saga Falabella: new stores in Atocongo (Nov-08) and Plaza Bellavista (Dec-08).
 - Homecenter: new stores in Canta Callao (Oct-2008), Plaza Bellavista (Dec-08), Los Jardines (Trujillo, Dec-08) and Ica Minka (Dec-08).
 - Tottus: new stores in Canta Callao (Oct-08), Crillon (Oct-08), La Polvora (Nov-08), Plaza Bellavista (Dec-08), Los Jardines (Trujillo, Dec-08), Puente Piedra (Dec-08), Pachacutec (Dec-08) and Ica Minka (Dec-08).
 - Aventura Plaza: Mall Aventura Plaza Bellavista was opened in November 2008 in Lima.
 - Malls Peru: Power Center Canta Callao in Lima (Oct-08) and Trujillo (Dec-08).
- Argentina: The Sodimac Villa Tesei store was opened in Buenos Aires in October 2008.
- Colombia:
 - Falabella: 5 Casa Estrella stores were leased (2 stores in Bogota, 2 stores in Cali and an outlet store in Bogota).
 - The Sodimac Molinos store was inaugurated in Medellin in December 2008.

Highlights in 2008

- Total investments of SACI Falabella in 2008 exceeded MMUS\$ 600, consisting in 39 new stores, 3 malls and 4 power centers.
- Falabella Colombia signed leases for 5 Casa Estrella department stores (Nov-08).
- Sodimac entered Argentina through a real estate alliance with Carrefour.
- S.A.C.I. Falabella acquired an interest of 59.3% in Plaza S.A. (Jul-08), consolidating all of its companies, including Plaza Vespucio S.A.
- Start-up of the Sodimac DC in Coronel and in Lo Espejo, Chile, consolidating the procurement chain in these centers.
- CMR Chile implemented a new credit management system.
- Inventory systems and controls were optimized, mainly in the department stores.
- Launching of the SMB Program to support small suppliers (Jan-08).
- Sodimac launched its first sustainability report.

Other Recent Events in 1Q 2009

- Openings in 1Q 2009:
 - Chile: Tottus San Fernando (Jan-2009).
 - Peru: Sodimac Chinchá (Jan-2009).
 - Colombia: Sodimac Cucuta (Jan-2009).



V. Retail Indicators

1. Revenues from the Retail Businesses

Cumulative Retail Revenues 2008 (MUS\$)²

(Adjusted Chilean pesos converted to USD at the observed e/r for January 2, 2009)

	2008	2007	Var. 08/07
Department Stores - Chile	1.238.242	1.259.398	-1,7%
Home Improvement - Chile ³	1.795.835	1.652.399	8,7%
Supermarkets - Chile	520.255	435.481	19,5%
Retail - Peru (Saga, Sodimac & Tottus)	1.042.926	614.989	69,6%
Retail - Argentina (Falabella & Sodimac)	355.844	209.219	70,1%
Retail - Colombia (Falabella & Sodimac)	765.081	495.895	54,3%

Cumulative Retail Revenues 4Q 2008 (MUS\$)

(Adjusted Chilean pesos converted to USD at the observed e/r for January 2, 2009)

	4Q 2008	4Q 2007	Var. 08/07
Department Stores - Chile	364.004	379.457	-4,1%
Home Improvement - Chile ³	456.437	456.074	0,1%
Supermarkets - Chile	140.199	126.583	10,8%
Retail - Peru (Saga, Sodimac & Tottus)	380.581	179.217	112,4%
Retail - Argentina (Falabella & Sodimac)	133.969	59.862	123,8%
Retail - Colombia (Falabella & Sodimac)	257.785	137.499	87,5%

Same-Store Sales (SSS) Growth⁴

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

	2007	1Q 2008	1S 2008	9M 2008	2008
Department Stores - Chile	8,7%	5,7%	5,8%	4,8%	1,5%
Home Improvement - Chile ⁵	13,9%	11,2%	13,9%	15,6%	11,9%
Supermarkets - Chile	5,3%	14,1%	13,5%	12,2%	10,9%
Retail - Peru (Saga, Sodimac & Tottus)	9,8%	11,3%	11,8%	11,8%	9,9%
Retail - Argentina (Falabella & Sodimac)	22,0%	28,0%	19,5%	14,7%	11,8%

Chile Department Stores

Operating income during 4Q 2008 totaled MMCH\$ 231,670 (MMUS\$ 364.0), a drop of real 4.1% compared to the previous year. Cumulative income as of December 31, 2008, totaled MMCH\$ 788,079, a 1.7% fall as compared to the previous year, affected mainly by a low nominal SSS of 1.5% and a more restrictive handling of inventory in view of the fall in consumption.

Chile Home Improvement

The growth in revenues in 4Q 2008 was 0.1%, totaling MMCH\$ 290,499 (MMUS\$ 456.4). Revenues totaled MMCH\$ 1,142,959 in 2008, i.e. 8.7% higher than the previous year. The

² Excludes revenues from the credit business.

³ Includes Imperial Stores.

⁴ 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.

⁵ Sodimac SSS does not include the Imperial stores.



reason for this growth was the increase of 11.9% in revenues in nominal SSS and an increase of 10% in floor space.

Chile Supermarkets

Revenues rose 10.8% during 4Q 2008, totaling MMCH\$ 89,229 (MMUS\$ 140.2), as compared to the same period in the previous year. In 2008, revenues totaled MMCH\$ 331,166 (MMUS\$ 520.3), i.e. 19.5% above 2007. This increase was mainly the result of a 10.9% increase in nominal SSS and the increase in floor space by 11%.

Peru

The revenues from the retail business in Peru (Saga Falabella, Sodimac and Tottus) grew 112.4% during 4Q 2008. On a cumulative basis as of December 2008, the growth in retail revenues was 69.6%. This increase was driven mainly by the growth in the nominal SSS, equal to 9.9%, the result of opening 16 stores (15 in 4Q 2008) that translated into an increase of 45.8% in floor space.

Argentina

Retail revenues in 4Q 2008 rose 123.8%. At the closing of 2008, cumulative growth totaled 70.1%, mainly impacted by the new operations of Sodimac (opened 4 stores). Additional revenues were also earned from the opening of the Avellaneda Falabella store.

Colombia

The revenues of Sodimac and Falabella Colombia rose 87.5% in the aggregate during 4Q 2008. This growth came from the incorporation of 4 Casa Estrella stores (plus 1 outlet) from mid-November and 3 other openings (2 Sodimac and 1 Falabella), increasing floor space by 21.9%. At the closing of 2008, the cumulative growth was 54.3%.

2. Number of Stores and Floor Space

Sales Area	2008		2007	
	Area (m ²)	Stores	Area (m ²)	Stores
Department Stores - Chile	223.229	40	202.249	37
Home Improvement - Chile ⁶	543.901	66	494.360	62
Supermarkets - Chile	96.420	23	86.747	21
Department Stores - Peru	94.647	15	76.081	14
Home Improvement - Peru	93.050	12	58.821	7
Supermarkets - Peru	85.523	17	52.485	8
Department Stores - Argentina	50.445	9	42.295	8
Home Improvement - Argentina	46.168	4		
Department Stores - Colombia	53.670	9	27.865	3
Home Improvement - Colombia	170.748	17	156.207	15
Total	1.457.802	212	1.197.109	175

⁶ Includes Imperial stores.



Chile Department Stores

3 new stores were opened in Chile in 2008 and approximately 20,980 square meters of net floor space were added. This came from the opening of the store on Manquehue Street (6,125 m², March 2008), the Plaza Alameda store (6,839 m², May-2008) and the Plaza Sur store in San Bernardo (6,606 m²). Moreover, the remodeling and relocation of the Downtown Concepción store (+2,351 m²), Valdivia store (+1,717 m²) and Osorno store (+3,437 m²) concluded in the last 12 months.

Chile Home Improvement

4 Sodimac stores were opened in Chile in 2008 and 1 Imperial Store. The net floor space rose by 49,541 m². This increase includes the Homecenter stores opened in Estacion Central (10,615 m², Sep-08), El Bosque (8,560 m², Oct-08), Plaza Sur in San Bernardo (11,962 m², Nov-08) and the Imperial Huechuraba store (3,007 m², Apr-2008) as well as the relocation of the Homecenter Los Angeles (+6,958 m²). Homecenter Talca (to 12,522 m², Aug-08) and Homecenter Calama (to 10,797 m²) were also enlarged 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 2008 and the net floor space rose by 9,673 m²: Tottus Alameda (4,209 m², Jul-08) and Tottus El Bosque (4,100 m², Nov-08). The Tottus Buin store was also enlarged (+1,364 m², Feb. 08). 3 San Francisco supermarkets changed the image and name to Tottus: San Bernardo Plaza, Buin and San Antonio.

Peru

16 new stores were opened in Peru in 2008 while the floor space rose by approximately 85,833 m². This was due mainly to the opening of 2 SAGA Falabella stores (18,566 m²) (however, the Chiclayo store measuring 356 m² was closed), 5 Sodimac stores (increase of 34,299 m² of floor space) and 9 Tottus hypermarkets (increase of 33,038 m² of floor space).

Argentina

In Argentina, 5 new stores were inaugurated in Buenos Aires in 2008, one Falabella Store and four Sodimac Stores. The floor space increased by 54,318 m². The new stores are: Falabella Alto Avellaneda (8,150 m², Apr-08), Sodimac San Martin (12,581 m², Feb-08), Sodimac Malvinas Argentinas (12,459 m², Apr-08) Sodimac San Justo (11,930 m², Aug-08) and Sodimac Villa Tesei (9,198 m², Oct-08).

Colombia

On November 14, 2008, 5 Casa Estrella stores were leased. Moreover, 3 new stores were opened in 2008: 1 Falabella and 2 Sodimac stores. Therefore, the floor space rose by 40,347 m². The new department store was Falabella Hayuelos in Bogota (7,970 m², Apr-08). The new Sodimac stores were: HC Bello (6,768 m², Sep-08) and HC Molinos (8,433 m², Dec-08) in Medellin.



3. Inventories⁷

	Days in Inventory				2008
	2007	1Q 2008	1S 2008	9M 2008	
Department Stores - Chile	78	86	77	72	79
Home Improvement - Chile	76	65	75	101	98
Supermarkets - Chile	33	29	31	29	26
Department Stores - Peru	88	102	83	86	89
Home Improvement - Peru	158	108	119	126	121
Supermarkets - Peru	56	39	35	48	56
Retail - Argentina (Falabella & Sodimac)	128	148	160	153	127

Days in inventory increased slightly in the different retail companies of the Falabella Group, recording an average increase of 9.3% in the number of days. This increase in days in inventory in 2008 is the result of the 39 openings in 2008, 26 occurring in 4Q 2008.

Tottus-San Francisco has continued with the successful implementation of their strategy to reduce days in inventory, decreasing 21% in 2008. Moreover, Falabella department stores increased just one day in inventory in 2008, taking into account the 3 openings.

The increase in days in inventory of Sodimac (28.9%) was mainly the result of the slowdown in revenue growth starting in October 2008, a reflection of the activity in the real estate sector and in the construction sector. This sudden slowdown created a higher inventory and, in turn, a process for the liquidation of seasonal products. In 1Q 2009, the inventory adjustment process should stabilize.

Moreover, although days in inventory still remain high, international operations were able to reduce their days in inventory by 4.1%. This is due mainly to the 6.1% drop in days in inventory in Peru, taking into account that during 4Q 2008 there were 14 openings out of a total of 16 in 2008. In Argentina, the level of inventory is indicative of Sodimac's recent arrival to that country with the opening of 4 stores in 2008.

⁷ Days in Inventory = Inventories at the end of the period divided by the cumulative sales cost expressed in days.



VI. Operating Income by Business Unit

1. Chile Department Stores⁸

Department store operating income decreased 15.1% in 2008, totaling MMUS\$ 50.7 as compared to the previous year, which was due mainly to the drop in the gross margin in the last quarter of the year in comparison to the result in the first 9 months of 2008. This drop in margin was due to the moderation in consumption that impacted the sale of durable goods (electronics, household appliances and furniture), especially in December. Despite the adjusted inventory levels, the competitive environment, with extreme promotions in December, required reducing margins in order to keep an appropriate offering. Moreover, the devaluation of the Chilean peso as compared to the U.S. dollar increased the cost of certain imported products, affecting their percentage gross margin. Nonetheless, selling, general and administrative expenses in 2008 rose 172 basis points as a percentage of sales, as a result of the expenses associated with the 3 new stores opened in 2008. Operating revenues in 4Q decreased 43.7%, to MMUS\$26.9.

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

	4Q'08	4Q'07	Var.%	2008	2007	Var.%
Revenues	364,0	379,5	-4,1%	1.238,2	1.259,4	-1,7%
Costs	-69,4%	-67,1%	-0,8%	-69,7%	-70,8%	-3,2%
Gross Margin	30,6%	32,9%	-10,8%	30,3%	29,2%	1,9%
SGA w/o depreciation	-21,4%	-18,8%	9,1%	-24,0%	-22,7%	4,2%
EBITDA	9,2%	14,1%	-37,4%	6,3%	6,6%	-5,8%
Depreciation + Amortization	-1,8%	-1,5%	16,5%	-2,2%	-1,8%	18,5%
Operating Profit (Loss)	7,4%	12,6%	-43,7%	4,1%	4,7%	-15,1%

2. Chile Home Improvement⁹

Sodimac Chile's operating income was MMUS\$ 88.4 during 2008, 6.0% below the previous year. Ebitda was MMUS\$ 118.3, 1.1% above 2007, driven by the 8.7% increase in revenues in 2008. The difference in growth between Ebitda and Operating Income was due to the extraordinary, non-recurrent increase in depreciation in 3Q.¹⁰ Growth began to slow down starting in October 2008 because of the drop in activity in the real estate and construction sectors, which is reflected in 4Q by the 0.1% increase in revenues. This sudden slowdown caused a higher inventory and, in turn, the liquidation of seasonal products, leading to a lower gross margin. Moreover, expenses grew as a percentage of sales in 4Q 2008 due to the lag in expense adjustments. Taking into account the foregoing, operating profit in 4Q 2008 totaled MMUS\$ 12.6, or 2.8% of sales.

⁸ Falabella Retail S.A., a subsidiary, was created in 3Q 2008 to develop the department store business in Chile. As a result, the Individual FECU of SACI Falabella no longer shows that business. This section of the release provides an equivalent pro forma financial statement on Chile department stores for financial analysis.

⁹ Includes Imperial stores starting May 1, 2007.

¹⁰ Due to the merger of Sociedad de Rentas Dos S.A. in Sodimac S.A.



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

	4Q'08	4Q'07	Var.%	2008	2007	Var.%
Revenues	456,4	456,1	0,1%	1.795,8	1.652,4	8,7%
Costs	-74,8%	-72,7%	2,9%	-73,6%	-73,1%	9,4%
Gross Margin	25,2%	27,3%	-7,4%	26,4%	26,9%	6,7%
SGA w/o depreciation	-20,9%	-19,5%	7,2%	-19,8%	-19,8%	8,6%
EBITDA	4,4%	7,8%	-43,9%	6,6%	7,1%	1,1%
Depreciation + Amortization	-1,6%	-1,5%	4,1%	-1,7%	-1,4%	30,3%
Operating Profit (Loss)	2,8%	6,3%	-55,6%	4,9%	5,7%	-6,0%

3. Chile Supermarkets

The operating income of Tottus-San Francisco Supermarkets reached a loss of MMUS\$ 2.4 in 2008, despite the 19.5% increase in revenues. The increasing maturation of stores throughout the year, combined with a rigorous expense control, resulted in a positive operating profit in 4Q 2008, reaching MMUS\$ 0.3. Furthermore, Ebitda reached MMUS\$ 4.0, growing 17.2%.

Chile Supermarkets (MMUS\$ and percentage of sales)

	4Q'08	4Q'07	Var.%	2008	2007	Var.%
Revenues	140,2	126,6	10,8%	520,3	435,5	19,5%
Costs	-79,7%	-78,4%	12,6%	-79,8%	-79,2%	20,4%
Gross Margin	20,3%	21,6%	4,1%	20,2%	20,8%	15,9%
SGA w/o depreciation	-17,4%	-18,9%	2,2%	-17,9%	-17,3%	23,4%
EBITDA	2,9%	2,7%	17,2%	2,3%	3,5%	-21,8%
Depreciation + Amortization	-2,6%	-2,3%	29,8%	-2,7%	-2,4%	34,9%
Operating Profit (Loss)	0,2%	0,4%	-47,8%	-0,5%	1,0%	-153,9%

4. International Operations

During 2008, operating income of the international businesses that are consolidated (Argentina, Peru and Colombia)¹¹ totaled MMUS\$ 63.8, which meant a growth of 24.6% compared to 2007. International businesses that are consolidated thus accounted for 12% of the consolidated operating income of S.A.C.I. Falabella.

During 4Q 2008, operating income from the international businesses accounted for 14.7% of the consolidated operating income of S.A.C.I. Falabella, totaling MMUS\$ 23.4, 6.5% below the same period in the previous year.

¹¹ Excluding Banco Falabella Peru, CMR Colombia, Sodimac Colombia and Aventura Plaza Peru.



Peru¹²

Consolidated operating income from Peru amounted to MMUS\$ 79.4 in 2008, a growth of 73.8%. This significant increase came mainly from the opening of 16 stores, in 2008, from a nominal SSS growth of 9.9% and from lower expenses of 69 basis points (without depreciation). In 4Q 2008, the operating income totaled MMUS\$ 32.3, 74.6% higher than the previous year. The drop in the gross margin was due to the change in the business mix, especially the strong growth of Tottus Peru, which has a lower margin.

Peru Consolidated (MMUS\$ and percentage of income)

	4Q'08	4Q'07	Var.%	2008	2007	Var.%
Revenues	391,5	185,8	110,7%	1.075,2	637,9	68,6%
Costs	-71,2%	-69,9%	114,6%	-72,8%	-72,1%	70,2%
Gross Margin	28,8%	30,1%	101,6%	27,2%	27,9%	64,3%
SGA w/o depreciation	-18,5%	-18,7%	108,4%	-17,9%	-18,6%	62,3%
EBITDA	10,3%	11,4%	90,5%	9,3%	9,3%	68,2%
Depreciation + Amortization	-2,0%	-1,4%	201,5%	-1,9%	-2,2%	49,6%
Operating Profit (Loss)	8,2%	10,0%	74,6%	7,4%	7,2%	73,8%

Argentina

There was a consolidated operating loss of MMUS\$ 18.8 in 2008 in Argentina. The fall is due to a rise of more than 790 basis points in SGA expenses, without depreciation, because of the start-up of 4 new Sodimac Argentina stores in 2008 and, to a lesser extent, to the effect of inflation on expenses of all operations in Argentina.

Argentina Consolidated (MMUS\$ and percentage of income)

	4Q'08	4Q'07	Var.%	2008	2007	Var.%
Revenues	145,9	63,4	130,2%	386,2	223,6	72,7%
Costs	-67,1%	-64,8%	138,6%	-65,6%	-66,0%	71,8%
Gross Margin	32,9%	35,2%	114,7%	34,4%	34,0%	74,4%
SGA w/o depreciation	-37,3%	-28,7%	199,0%	-36,7%	-28,8%	120,1%
EBITDA	-4,4%	6,5%	-254,8%	-2,4%	5,2%	-178,2%
Depreciation + Amortization	-2,8%	-1,0%	574,8%	-2,5%	-1,9%	123,6%
Operating Profit (Loss)	-7,2%	5,6%	-398,9%	-4,9%	3,3%	-356,6%

Colombia

Operating profit from Colombia amounted to MMUS\$ 3.1 in 2008, compared to a loss of MMUS\$ 1.8 in 2007. Revenues in Colombia grew 152%, driven by the opening of one store in April 2008 and the takeover of 5 Casa Estrella stores in November 2008.

¹² The revenues provided in this section exclude the operations of Banco Falabella Peru in all periods. The revenues of this bank are shown as a profit on the investment in related companies.



Colombia Consolidated (MMUS\$ and percentage of income)

	2008	2007	Var.%
Revenues	147,7	58,7	151,5%
Costs	-65,8%	-64,7%	155,8%
Gross Margin	34,2%	35,3%	143,5%
SGA w/o depreciation	-29,0%	-35,2%	107,3%
EBITDA	5,2%	0,1%	13884%
Depreciation + Amortization	-3,0%	-3,2%	139,7%
Operating Profit (Loss)	2,1%	-3,1%	n.a.

5. Promotora CMR Chile

Operating income of Promotora CMR Chile amounted to MMUS\$ 143.2 in 2008, decreasing 10.1%. The fall was mainly due to the increase in non-performing loans, which is shown in the total amounts provisioned. As of December 2008, the provision stock represented 5.4% of credits, which is compared to 4.0% in December 2007. It is important to note the decrease in expenses as a percentage of sales in 4Q, which reflects the implementation of good practices, in particular, technology and systems and the constant search for efficiency.

Promotora CMR (MMUS\$ and percentage of income)

	4Q'08	4Q'07	Var.%	2008	2007	Var.%
Revenues	106,7	102,3	4,3%	425,1	402,1	5,7%
Costs	-61,7%	-52,4%	22,7%	-57,1%	-51,1%	18,1%
Gross Margin	38,3%	47,6%	-16,0%	42,9%	48,9%	-7,2%
SGA w/o depreciation	-9,5%	-9,9%	0,3%	-9,2%	-9,2%	5,3%
Operating Profit (Loss)	28,8%	37,7%	-20,3%	33,7%	39,6%	-10,1%

6. 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 consolidated all operations of Mall Plaza Chile.

Operating income totaled MMUS\$ 113.3 in 2008, 37.9% higher than the past year (Plaza Vespucio S.A. was excluded in 2007). For 4Q 2008, operating income was MMUS\$ 41.9, 66% higher than the previous year. This result is mainly the product of the rise of 64.3% 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 Mall Plaza Sur) and the inclusion of Plaza Vespucio.



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

	4Q'08	4Q'07	Var.%	2008	2007	Var.%
Revenues	63,0	38,3	64,3%	183,6	137,2	33,8%
Costs	-20,8%	-17,9%	90,5%	-23,6%	-22,7%	39,0%
Gross Margin	79,2%	82,1%	58,6%	76,4%	77,3%	32,2%
SGA	-12,8%	-12,7%	66,2%	-14,7%	-17,4%	12,8%
Operating Profit (Loss)	66,4%	69,4%	57,2%	61,7%	59,9%	37,9%
EBITDA	75,3%	74,5%	66,0%	70,8%	65,6%	44,4%

Note: Depreciation is recorded in the cost line.

7. Sociedad de Rentas Falabella (SRF)

During 4Q 2008, operating income totaled MMUS\$ 9.2, a 77.8% rise as compared to the 4Q in the previous year. For 2008, operating income amounted to MMUS\$ 30.8, a 26.1% increase compared to the past year.



VII. Credit Indicators

1. CMR Card Sales

	Cumulative Percentage of Sales using CMR ¹³				
	2007	1Q 2008	1S 2008	9M 2008	2008
Department Stores - Chile	65,3%	62,4%	63,5%	63,5%	62,9%
Home Improvement - Chile	30,3%	29,4%	29,4%	29,3%	29,3%
Supermarkets - Chile	16,9%	16,5%	18,0%	18,9%	19,0%
Department Stores - Peru	67,4%	64,7%	65,4%	65,1%	64,3%
Home Improvement - Peru	37,1%	33,5%	33,9%	34,5%	33,9%
Supermarkets - Peru	52,4%	47,2%	47,7%	47,8%	46,9%
Department Stores - Argentina	42,5%	43,7%	41,2%	40,0%	37,5%
Department Stores - Colombia					29,2%
Home Improvement - Colombia					11,6%

By December 2008, there were 2.6 million active CMR cards in Chile; 1.3 million in Peru; 721,000 in Argentina and 423,000 in Colombia.

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	766.007

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	-41.339

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%	5,40%

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	50.036

Note: Write-offs are net of recoveries

¹³ 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 33.02% in 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	627.594

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	-21.335

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%	3,40%

d. Cumulative 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	25.541

Note: Write-offs are net of recoveries

4. Banco Falabella Peru

Note: Banco Falabella Peru uses the provisions schedule indicated by the Peruvian Banking and Insurance Commission. In 4Q 2008, that Commission required all local banks to make an additional provision of 1.5% on the total loan portfolio.

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	410.249

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	-27.795

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%	6,78%

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	18.094

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 2.73%.

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	71.890

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	-2.246

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%	3,12%

d. Cumulative 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	506

Note: Write-offs are net of recoveries

6. Financiera CMR Colombia

Note: CMR Colombia began operation in October 2005. Starting in December 2008, CMR Colombia did not consolidate with SACI Falabella, which is retroactive for all of 2008 and is shown in the same way for 2007.

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	106.896

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	-7647

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%	7,15%

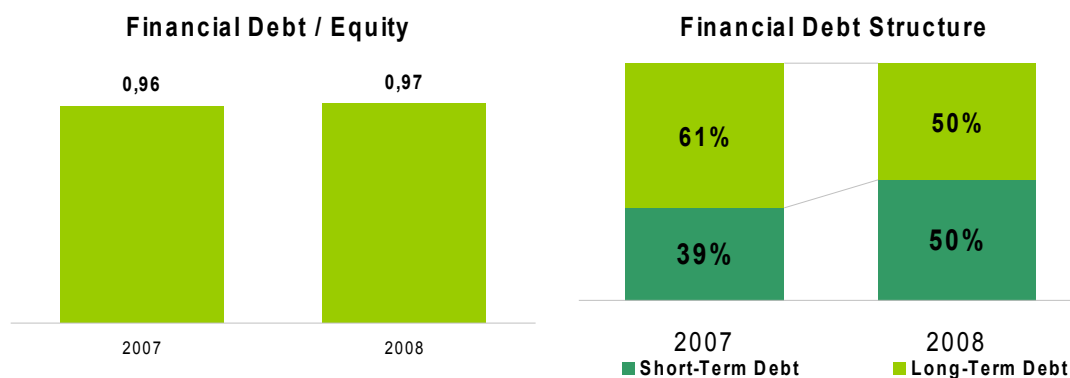
d. Cumulative Net Write-offs (Nominal MUS\$)				
	1Q	2Q	3Q	4Q
2005				0
2006	0	0	94	603
2007	506	1.051	1.672	2.312
2008	1.193	2.573	2.370	4.065

Note: Write-offs are net of recoveries



VIII. Financial Structure

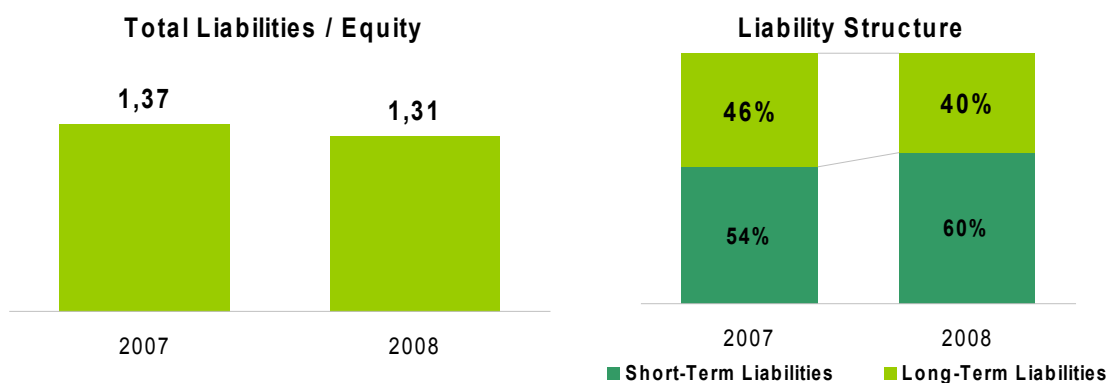
1. Financial Debt as of December 31, 2008



Note: Total Financial Debt as of December 31, 2008 was MMCH\$ 1,851,729 (MMUS\$ 2,909.5). It includes the credit business debt in Chile (except the Falabella Bank) and Argentina. As of 1Q 2007, it also included the financial debt of the Malls Plaza (except for Plaza Vespucio). Starting in August 2008, Mall Plaza Vespucio is included.

There is a high proportion of CMR debt in Chile within short-term financial debt. The maturity profile of that debt is directly related to the card credit structure so that there is matching. The average term for credit payment is approximately 160 days and the term of the short-term financial debt of the card is above 230 days. Therefore, there is flexibility 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 December 31, 2008



Note: Liabilities totaled MMCH\$ 2,504,623 as of December 31, 2008 (MMUS\$ 3,935.3). This figure included the liabilities of the credit business in Chile (excluding the Falabella Bank) and Argentina. As of 1Q 2007, it also included the liabilities of the Malls Plaza (excluding Plaza Vespucio). Mall Plaza Vespucio is included starting in August 2008.



IX. Stores and Floor Space

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

N°	Store	Selling Space	Opening	Region
1»6	Paseo Ahumada	9.436	Oct-1889	RM
7	Barros Arana	8.402	may-62	VIII
8	Parque Arauco	12.190	oct-83	RM
9	Temuco	5.307	may-86	IX
10	Viña del Mar	5.136	sep-87	V
11	Plaza Vespucio	8.087	ago-90	RM
12	Lyon	7.837	feb-92	RM
13	Rancagua	5.647	feb-92	VI
14	Calama	6.179	may-93	II
15	Alto Las Condes	9.874	oct-93	RM
16	Plaza Oeste	10.869	nov-94	RM
17	Plaza del Trébol	6.325	abr-95	VIII
18	Osorno	3.475	oct-95	X
19	Chillán	4.659	sep-96	VIII
20	Talca	5.132	may-97	VII
21	Copiapó	3.508	mar-98	III
22	Plaza Tobalaba	7.192	nov-98	RM
23	La Serena	4.963	nov-98	IV
24	Valparaíso	5.565	feb-99	V
25	Curicó	3.905	sep-00	VII
26	Iquique	5.296	sep-00	I
27	Puerto Montt	5.946	jul-01	X
28	Quilpué	4.543	sep-01	V
29	Plaza Los Angeles	5.158	mar-03	VIII
30	Plaza Norte	5.677	nov-03	RM
31	Paseo Puente	7.771	oct-05	RM
32	La Dehesa	7.904	nov-05	RM
33	Antofagasta Mall	9.164	oct-06	II
34	La Calera	4.907	nov-06	V
35	Valdivia	4.534	jun-07	XIV
36	Melipilla	3.723	jun-07	RM
37	Punta Arenas	5.349	nov-07	XII
38	Manquehue	6.125	mar-08	RM
39	Estación Central	6.839	may-08	RM
40	San Bernardo	6.606	nov-08	RM
TOTAL		223.229		

- **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	Region
1	HC Temuco	8.654	ene-82	IX
2	HC Copiapó	8.895	ene-82	III
3	Co Viña del Mar	4.517	ene-82	V
4	Co Valparaíso	668	ene-82	V
5	Co Talcahuano	1.813	ene-82	VIII
6	Co Rancagua	1.783	ene-82	VI
7	Co Maipú	4.306	ene-82	RM
8	Co Castro	335	ene-82	X
9	HC Concepción	4.669	jun-87	VIII
10	HC Las Condes	8.761	mar-88	RM
11	Co Vic. Mackenna	2.949	ene-92	RM
12	Co Antofagasta	9.056	jul-92	II
13	HC Los Angeles	11.656	1992	VIII
14	HC Viña del Mar	7.318	ene-93	V
15	Co Cantagallo	5.870	ene-93	RM
16	HC La Florida	6.683	jul-93	RM
17	HC Ñuñoa	4.838	sep-93	RM
18	HC Rancagua	10.724	nov-95	VI
19	HC Puente Alto	16.893	oct-96	RM
20	HC Quilpue	8.129	nov-96	V
21	Co La Florida	6.934	mar-97	RM
22	HC Maipú	14.044	jul-98	RM
23	HC El Trébol	14.456	nov-98	VIII
24	HC La Serena	12.545	dic-98	IV
25	Co Reñaca Alto	7.656	dic-98	V
26	HC Parque Arauco	10.777	oct-99	RM
27	HC Talca	12.522	dic-00	VII
28	HC Calama	10.797	nov-01	II
29	HC San Miguel	13.061	nov-01	RM
30	HC La Reina	13.207	abr-02	RM
31	Co Vallenar	3.621	may-02	III
32	HC Ñuble	10.935	jun-02	RM
33	HC Valdivia	8.288	sep-02	XIV
34	HC Nueva La Florida	18.461	nov-02	RM
35	HC SS Temuco	13.370	abr-03	IX
36	HC Huechuraba	11.630	nov-03	RM
37	HC Villarrica	6.530	feb-04	IX
38	HC Osorno	8.545	jul-05	X
39	HC Angol	4.214	sep-05	VIII
40	HC Chillán	8.781	dic-05	VIII
41	HC Coyhaique	5.740	ene-06	XI
42	HC Curico	8.012	mar-06	VII
43	HC Coquimbo	5.882	mar-06	IV
44	HC Plaza Oeste	14.696	may-06	RM
45	HC La Calera	8.030	jul-06	V
46	HC Pto.Montt	9.514	ago-06	X
47	HC Plaza Vespucio	11.433	sep-06	RM
48	Co Fontova	6.720	sep-06	RM
49	HC San Felipe	8.685	nov-06	V
50	HC Arica	8.747	dic-06	XV
51	HC Iquique	9.955	feb-07	I
52	HC Antofagasta	10.718	abr-07	II
53	HC Plaza Concepción	11.343	jun-07	VIII
54	HC Punta Arenas	8.192	ago-07	XII
55	HC Linares	7.040	nov-07	VII
56	HC Estación Central	10.615	sep-08	RM
57	HC El Bosque	8.560	oct-08	RM
58	HC San Bernardo	11.962	nov-08	RM
Sub Total		504.735		

N°	Store	Selling Space	Opening	Región
1	Imperial Santa Rosa	9.442	1974	RM
2	Imperial Mapocho	10.803	1999	RM
3	Imperial Maipú	3.790	2001	RM
4	Imperial Peñalolén	1.802	2001	RM
5	Imperial La Florida	974	2002	RM
6	Imperial Valparaíso	1.567	2003	V
7	Imperial Concepción	7.781	2007	VIII
8	Imperial Huechuraba	3.007	Abr-08	RM
Sub Total Imperial		39.166		
TOTAL SODIMAC		543.901		



3. San Francisco Supermarkets - Chile (net m² of floor space)

N°	Store	Selling Space	Opening	Region
1	Talagante Plaza	3.145	1964	RM
2	Tottus San Bernardo Plaza	6.290	1986	RM
3	El Monte	962	1951	RM
4	Tottus Buin	5.389	1995	RM
5	San Bernardo Estación	3.161	1996	RM
6	Peñaflor	3.926	1999	RM
7	Rengo	2.014	2000	VI
8	Melipilla	2.462	2001	RM
9	Tottus San Antonio	2.827	oct-04	V
10	Talagante Cordillera	3.000	feb-05	RM
11	Tottus Puente Alto	5.055	dic-05	RM
12	Tottus Nataniel	4.296	mar-06	RM
13	Tottus La Calera	3.511	jul-06	V
14	Tottus Fontova	4.591	sep-06	RM
15	Tottus Mall Antofagasta	5.180	sep-06	II
16	Tottus Plaza Oeste	5.149	dic-06	RM
17	Tottus Puente Alto II	4.580	ene-07	RM
18	Tottus La Florida	4.971	mar-07	RM
19	Tottus Megacenter	7.200	jul-07	RM
20	Tottus Antofagasta Centro	5.584	sep-07	II
21	Tottus Colina	4.818	oct-07	RM
22	Tottus Alameda	4.209	jul-08	RM
23	Tottus El Bosque	4.100	nov-08	RM
TOTAL		96.420		



3. Peru¹⁴

i) Department Stores (net m² of floor space)

N°	Store	Selling Space	Opening	Department
1	San Isidro	11.848	1995	Lima
2	San Miguel	10.767	1995	Lima
3	Jockey Plaza	10.739	1997	Lima
4	Lima Centro	5.571	1998	Lima
5	Trujillo	569	2001	La Libertad
6	Piura	2.485	2001	Piura
7	Arequipa	4.915	2002	Arequipa
8	Miraflores	7.074	oct-05	Lima
9	Chiclayo Mall	6.130	oct-05	Lambayeque
10	Megaplaza	9.096	oct-06	Lima
11	Cajamarca	998	mar-07	Cajamarca
12	Ica	660	may-07	Ica
13	Trujillo Mall	5.995	nov-07	La Libertad
14	Bellavista	7.254	dic-08	Lima
15	Atocongo	10.546	dic-08	Lima
TOTAL		94.647		

ii) Home Improvement (net m² of floor space)

N°	Store	Selling Space	Opening	Department
1	San Miguel	11.728	2004	Lima
2	Megaplaza	9.998	May-05	Lima
3	Atocongo	8.300	Abr-06	Lima
4	Javier Prado	8.257	Mar-07	Lima
5	Chiclayo	7.626	Nov-07	Lambayeque
6	Trujillo Mall	7.724	Nov-07	La Libertad
7	Ica Constructor	5.189	Nov-07	Ica
8	Centro de Lima	8.396	Feb-08	Lima
9	Canta Callao	5.734	Oct-08	Lima
10	Trujillo Los Jardines	6.241	Dic-08	La Libertad
11	Bellavista	10.102	Dic-08	Lima
12	Ica Minka	3.757	Dic-08	Ica
TOTAL		93.050		

iii) Supermarkets (net m² of floor space)

N°	Store	Selling Space	Opening	Department
1	Megaplaza	8.391	2002	Lima
2	San Isidro	5.616	2003	Lima
3	San Miguel	9.097	2004	Lima
4	Atocongo	7.231	Abr-06	Lima
5	Chorrillos	4.930	Nov-07	Lima
6	Chiclayo	5.152	Nov-07	Lambayeque
7	Trujillo Mall	6.199	Nov-07	La Libertad
8	Quilca	3.790	Dic-07	Lima
9	Saenz Peña	2.116	Feb-08	Lima
10	Canta Callao	3.807	Oct-08	Lima
11	Crillón	4.912	Nov-08	Lima
12	La Polvora	3.851	Nov-08	Lima
13	Puente Piedra	3.751	Dic-08	Lima
14	Trujillo Los Jardines	3.751	Dic-08	La Libertad
15	Bellavista	5.831	Dic-08	Lima
16	Ica Minka	3.276	Dic-08	Ica
17	Pachacutec	3.822	Dic-08	Lima
TOTAL		85.523		

¹⁴ The downtown Lima store includes the Lima La Merced store (just household appliances). The Chiclayo store was also closed (356 m²).



4. Argentina

i) Department Stores (net m² of floor space)

N°	Store	Selling Space	Opening	Province
1	Mendoza	5.456	mar-93	Mendoza
2	Rosario	5.905	dic-94	Santa Fé
3	Córdoba	6.219	may-97	Córdoba
4	San Juan	2.640	oct-97	San Juan
5	Buenos Aires (Unicenter)	10.597	mar-99	Buenos Aires
6»8	Buenos Aires (Florida)	11.478	nov-07	Buenos Aires
9	Alto Avellaneda	8.150	abr-08	Buenos Aires
TOTAL		50.445		

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

N°	Store	Selling Space	Opening	Province
1	San Martín	12.581	feb-08	Buenos Aires
2	Malvinas Argentinas	12.459	abr-08	Buenos Aires
3	San Justo	11.930	ago-08	Buenos Aires
4	Villa Tesei	9.198	oct-08	Buenos Aires
TOTAL		46.168		

5. Colombia

i) Department Stores (net m² of floor space)

N°	Store	Selling Space	Opening	City
1	Santa Fe	10.268	Nov-06	Bogotá
2	Suba	8.597	Abr-07	Bogotá
3	San Diego	9.000	Nov-07	Medellín
4	Hayuelos	7.970	Abr-08	Bogotá
5	Unicentro Bogotá	5.000	Nov-08	Bogotá
6	Galerías Bogotá	4.900	Nov-08	Bogotá
7	Unicentro Cali	3.300	Nov-08	Cali
8	Chipichape Cali	2.300	Nov-08	Cali
9	Outlet Bima	2.336	Nov-08	Bogotá
TOTAL		53.670		

ii) Home Improvement (net m² of floor space)

N°	Store	Selling Space	Opening	City
1	HC Las Américas	2.017	1994	Bogotá
2	HC Calle 80	12.746	1997	Bogotá
3	HC Sur	10.465	1998	Bogotá
4	HC Norte	12.841	1999	Bogotá
5	HC Medellín	8.626	2002	Medellín
6	HC Cali Sur	12.544	2003	Cali
7	HC Barranquilla	13.115	2004	Barranquilla
8	HC Pereira	13.241	Jul-05	Medellín
9	HC El Dorado	11.326	Nov-05	Bogotá
10	HC Medellín San Juan	13.718	Jul-06	Medellín
11	HC Cali Norte	13.306	Feb-07	Cali
12	HC Suba	6.256	Mar-07	Bogotá
13	HC Soacha	7.275	Jun-07	Bogotá
14	HC Ibagué	10.010	Jul-07	Ibagué
15	HC Cartagena	8.062	Nov-07	Cartagena
16	HC Bello	6.768	Sep-08	Bello
17	HC Molinos Medellín	8.433	Dic-08	Medellín
TOTAL		170.748		



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 December 31 2008

	2008	2007
ASSETS		
Current Assets	1.700.118	1.543.415
Cash	58.564	59.320
Time deposits	25.876	9.116
Marketeable securities	796	8.649
Trade receivables	790.040	830.173
Notes receivables	48.511	45.244
Other receivables	45.280	39.786
Notes and accounts receivable from related parties	34.795	29.898
Inventories	561.479	429.597
Recoverable taxes	75.483	45.558
Prepaid expenses	22.646	24.789
Deferred income taxes	23.907	16.713
Other current assets	12.743	4.571
Leasing agreements	0	0
Leasing assets	0	0
Property, Plant and Equipment	1.896.567	1.391.719
Land	383.522	323.832
Buildings and infrastructure	1.070.032	748.234
Machinery and equipment	239.909	173.811
Other property, plant and equipment	701.224	543.887
Technical reappraisal of property, plant and equipment	135	2.032
Accumulated depreciation	(498.256)	(400.077)
Other Assets	822.956	826.052
Investments in related companies	203.693	198.541
Investments in other societies	320	3.038
Goodwill	274.114	289.068
Negative goodwill	(3)	(6)
Long Term receivables	129.762	123.712
Notes and accounts receivable from relates parties	965	1.337
Deferred income taxes	0	0
Intangibles assets	232.736	220.943
Amortization	(32.188)	(24.986)
Other long-term assets	13.556	14.406
Long-term leasing	0	0
Total Assets	4.419.641	3.761.185



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

Expressed in Millions of Chilean Pesos as of December 31 2008

	2008	2007
LIABILITIES		
Current Liabilities	1.510.208	1.184.179
Short-term bank borrowings	595.742	482.318
Current portion of long-term bank borrowings	99.805	74.748
Obligations with the public (promissory notes)	63.250	6.932
Current portion of bonds payable	175.713	26.530
Current portion of long-term borrowings	0	0
Dividends to be paid	196	48.359
Trade account payables	428.387	400.341
Documents payable	12.206	10.396
Sundry creditors	19.625	27.063
Notes and accounts payable to related companies	7.042	22.308
Accruals	46.348	35.817
Withholdings	35.283	29.390
Income tax	8.716	6.165
Unearned income	17.623	13.307
Deferred taxes	0	0
Other short-term liabilities	271	504
Total long-term liabilities	994.415	989.319
Long-term bank borrowings	550.245	456.589
Bonds payable	366.974	478.288
Documents payable - long-term	14.108	0
Sundry creditors	575	350
Notes and accounts payable to related companies	0	0
Accruals	1.278	2.050
Deferred taxes	46.789	42.760
Other long-term liabilities	14.446	9.281
Minority interest	161.954	92.522
Shareholder's Equity	1.753.064	1.495.166
Paid-in capital	532.495	532.296
Capital revaluation reserve	0	0
Additional paid-in capital	3.684	2.412
Other reserves	19.912	(34.519)
Retained earnings	1.196.973	994.978
Reserve for future dividends	0	0
Accumulated profits	994.960	878.943
Accumulated loss	0	0
Net income (loss)	202.013	236.411
Interim dividends	0	(120.376)
Deficit from development period	0	0
Total Liabilities	4.419.641	3.761.185



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

Expressed in Millions of Chilean Pesos as of December 31 2008

	2008	2007
Operating Income	341.803	330.608
Gross Margin	1.068.607	895.138
Revenues	3.727.187	3.071.798
Cost of sales	(2.658.580)	(2.176.661)
Selling , general and administrative expenses	(726.803)	(564.530)
Non-operating Income	(60.099)	(39.273)
Financial income	13.323	9.184
Profit on investments in related companies	35.352	45.705
Other non-operating income	39.359	26.599
Loss on investment in related companies	0	0
Amortization of goodwill	(18.393)	(18.339)
Financial expenses	(73.486)	(47.854)
Other non-operating expenses	(21.078)	(13.808)
Price-level restatement	(46.039)	(38.147)
Exchange differentials	10.864	(2.612)
Profit Before Income Tax & Extraordinary Items	281.705	291.336
Income Tax	(43.438)	(33.739)
Extraordinary Items	0	0
Profit (loss) before minority interest	238.267	257.597
Minority interest	(36.256)	(21.189)
Net profit (loss)	202.011	236.407
Amortization of negative goodwill	2	3
Profit (loss) in the fiscal year	202.013	236.411



S.A.C.I. FALABELLA
CONSOLIDATED STATEMENT OF CASH FLOWS
 Expressed in Millions of Chilean Pesos as of December 31 2008

	2008	2007
Cash Flows From Operating Activities	293.026	298.286
Collection of trade receivables	4.185.363	3.266.166
Financial income received	22.601	6.448
Dividends received	23.296	28.062
Other income received	35.027	32.131
Payments to suppliers and personnel	(3.683.118)	(2.852.552)
Interest paid	(85.533)	(44.472)
Income tax payments	(55.486)	(37.504)
Other expenses	(45.333)	(16.711)
VAT and other taxes paid	(103.791)	(83.281)
Cash Flows From Financing Activities	158.258	77.411
Proceeds from issuance of common stock	18.588	4.989
Borrowings from banks	936.723	870.499
Proceeds from issuance of bonds	112.557	20.980
Borrowings from related companies	0	0
Other borrowings from related companies	0	0
Other sources of financing	1.830	796
Payment of dividends	(69.528)	(150.706)
Distribution of capita	0	0
Payment of loans	(814.980)	(632.562)
Payment of public liabilities incurred	(25.584)	(16.801)
Payment of related companies loans	0	0
Payment of other related companies loans	0	0
Payment of common stock issuance costs	0	0
Payment of bond issuance costs	(1.323)	(19.784)
Other payments	(26)	0
Cash Flows From Investing Activities	(437.903)	(400.177)
Proceeds from sales of property, plant and equipment	6.406	7.685
Proceeds from sales of long-term investments	1	0
Proceeds from sales of other investments	0	105
Collection of loans to related companies	0	0
Collections of other loans to related companies	0	0
Other investment income	26.914	4.580
Additions to property, plant and equipment	(450.245)	(312.015)
Payment of interest capitalized	0	(2.175)
Purchase of permanent investments	0	(51.234)
Investments in financial instruments	0	(2.796)
Loans to related companies	0	0
Other payments to related companies	(6.941)	(38.176)
Other payments of investments	(14.039)	(6.150)
Net Cash Flow	13.381	(24.481)
Price-level Restatements of Cash and Cash Equivalents	(1.306)	(4.720)
Net Increase (Decrease) in Cash and Cash Equivalents	12.074	(29.201)
Cash and Cash Equivalents at Beginning of Period	77.163	106.287
Cash and Cash Equivalents at End of Period	89.237	77.086



S.A.C.I. FALABELLA
CONSOLIDATED RECONCILIATION BETWEEN NET INCOME AND CASH FLOWS
 Expressed in Millions of Chilean Pesos as of December 31 2008

	2008	2007
Income on sale of assets	1.429	(297)
Gain on sales of property, plant and equipment	1.780	(243)
Gain on sales of investments	(351)	(54)
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	246.080	183.140
Depreciation	84.694	64.859
Amortization of Intangibles	7.148	5.452
Write-offs and provisions	133.925	108.031
Equity in gains of unconsolidated affiliates	(35.352)	(45.705)
Equity in losses of unconsolidated affiliates	0	0
Amortization of goodwill	18.393	18.339
Amortization of negative goodwill	(2)	(3)
Price-level restatement	46.039	38.147
Exchange differentials	(10.864)	2.612
Other credits to income that do not represent cash flows	(8.412)	(19.673)
Other debits to income that do not represent cash flows	10.511	11.080
Changes in operating assets	(250.815)	(288.887)
Receivables	37.083	(164.106)
Inventories	(154.959)	(89.248)
Other current assets	(132.939)	(35.534)
Changes in operating liabilities	58.064	146.730
Trade accounts payable and notes payables relating to operating activities	(22.860)	111.888
Taxes to be paid	(4.402)	10.348
Net income tax	6.811	1.315
Other trade accounts payable relating to operating activities	84.074	19.791
VAT and other taxes	(5.560)	3.388
Income attributable to minority interest	36.256	21.189
Net cash provided by operating activities	293.026	298.286



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

Expressed in Millions of Chilean Pesos as of December 31 2008

	2008	2007
ASSETS		
Current Assets	319.983	438.353
Cash	379	22.286
Time deposits	0	0
Marketeable securities	0	0
Trade receivables	0	5.380
Notes receivables	100	9.144
Other receivables	613	3.690
Notes and accounts receivable from related parties	251.801	258.195
Inventories	57.138	122.577
Recoverable taxes	827	606
Prepaid expenses	249	9.766
Deferred income taxes	1.306	1.924
Other current assets	7.569	4.785
Leasing agreements	0	0
Leasing assets	0	0
Property, Plant and Equipment	4.115	103.949
Land	0	0
Buildings and infrastructure	1.720	12.253
Machinery and equipment	191	16.538
Other property, plant and equipment	8.286	169.630
Technical reappraisal of property, plant and equipment	0	0
Accumulated depreciation	(6.082)	(94.471)
Other Assets	1.984.530	1.692.770
Investments in related companies	1.970.421	1.665.501
Investments in other societies	0	0
Goodwill	5.355	10.414
Negative goodwill	0	0
Long Term receivables	54	114
Notes and accounts receivable from relates parties	0	2.760
Deferred income taxes	0	0
Intangibles assets	539	633
Amortization	(134)	(142)
Other long-term assets	8.295	13.491
Long-term leasing	0	0
Total Assets	2.308.627	2.235.073



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

Expressed in Millions of Chilean Pesos as of December 31 2008

	2008	2007
LIABILITIES		
Current Liabilities	242.133	282.602
Short-term bank borrowings	2.979	39.200
Current portion of long-term bank borrowings	0	0
Obligations with the public (promissory notes)	51.885	0
Current portion of bonds payable	146.166	6.712
Current portion of long-term borrowings	0	0
Dividends to be paid	137	48.300
Trade account payables	4.907	85.392
Documents payable	0	1.220
Sundry creditors	28	902
Notes and accounts payable to related companies	24.414	89.219
Accruals	1.783	2.628
Withholdings	9.732	3.722
Income tax	0	181
Unearned income	102	5.126
Deferred taxes	0	0
Other short-term liabilities	0	0
Total long-term liabilities	313.431	457.305
Long-term bank borrowings	0	0
Bonds payable	292.291	432.724
Documents payable - long-term	0	0
Sundry creditors	0	0
Notes and accounts payable to related companies	20.531	19.631
Accruals	35	808
Deferred taxes	573	4.071
Other long-term liabilities	0	70
Minority interest	0	0
Shareholder's Equity	1.753.064	1.495.166
Paid-in capital	532.495	532.296
Capital revaluation reserve	0	0
Additional paid-in capital	3.684	2.412
Other reserves	19.912	(34.519)
Retained earnings	1.196.973	994.978
Reserve for future dividends	0	0
Accumulated profits	994.960	878.943
Accumulated loss	0	0
Net income (loss)	202.013	236.411
Interim dividends	0	(120.376)
Deficit from development period	0	0
Total Liabilities	2.308.627	2.235.073



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

Expressed in Millions of Chilean Pesos as of December 31 2008

	2008	2007
Operating Income	13.392	38.044
Gross Margin	172.684	234.434
Revenues	688.653	801.544
Cost of sales	(515.968)	(567.110)
Selling , general and administrative expenses	(159.292)	(196.390)
Non-operating Income	188.711	201.603
Financial income	2.416	3.092
Profit on investments in related companies	210.138	231.518
Other non-operating income	5.813	13.727
Loss on investment in related companies	(681)	(1.948)
Amortization of goodwill	(750)	(916)
Financial expenses	(26.465)	(23.259)
Other non-operating expenses	(5.747)	(2.313)
Price-level restatement	(20.540)	(17.188)
Exchange differentials	24.528	(1.109)
Profit Before Income Tax & Extraordinary Items	202.104	239.647
Income Tax	0	181
Extraordinary Items	0	0
Profit (loss) before minority interest	202.013	236.411
Minority interest	0	0
Net profit (loss)	202.013	236.411
Amortization of negative goodwill	0	0
Profit (loss) in the fiscal year	202.013	236.411



S.A.C.I. FALABELLA
INDIVIDUAL STATEMENT OF CASH FLOWS
 Expressed in Millions of Chilean Pesos as of December 31 2008

	2008	2007
Cash Flows From Operating Activities	189.998	175.103
Collection of trade receivables	844.672	961.294
Financial income received	966	772
Dividends received	66.331	115.902
Other income received	11.628	19.306
Payments to suppliers and personnel	(668.717)	(889.358)
Interest paid	(21.644)	(3.226)
Income tax payments	(2.029)	(860)
Other expenses	(28.906)	(20.120)
VAT and other taxes paid	(12.303)	(8.608)
Cash Flows From Financing Activities	190.236	(86.961)
Proceeds from issuance of common stock	1.452	2.645
Borrowings from banks	45.338	45.814
Proceeds from issuance of bonds	51.276	0
Borrowings from related companies	157.841	7.111
Other borrowings from related companies	123.688	22.488
Other sources of financing	0	0
Payment of dividends	(47.766)	(130.503)
Distribution of capita	0	0
Payment of loans	(79.919)	(13.976)
Payment of public liabilities incurred	(2.661)	(1.327)
Payment of related companies loans	(15.994)	0
Payment of other related companies loans	(42.549)	0
Payment of common stock issuance costs	0	0
Payment of bond issuance costs	(443)	(19.214)
Other payments	(26)	0
Cash Flows From Investing Activities	(397.390)	(115.595)
Proceeds from sales of property, plant and equipment	487	264
Proceeds from sales of long-term investments	0	8.781
Proceeds from sales of other investments	0	0
Collection of loans to related companies	0	0
Collections of other loans to related companies	166.635	202
Other investment income	787	67
Additions to property, plant and equipment	(29.269)	(43.997)
Payment of interest capitalized	0	(451)
Purchase of permanent investments	(50.233)	(20.306)
Investments in financial instruments	0	0
Loans to related companies	(451.681)	0
Other payments to related companies	(33.910)	(59.436)
Other payments of investments	(207)	(719)
Net Cash Flow	(17.156)	(27.454)
Price-level Restatements of Cash and Cash Equivalents	(750)	(2.824)
Net Increase (Decrease) in Cash and Cash Equivalents	(17.906)	(30.278)
Cash and Cash Equivalents at Beginning of Period	22.286	52.564
Cash and Cash Equivalents at End of Period	4.380	22.286



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

Expressed in Millions of Chilean Pesos as of December 31 2008

	2008	2007
Income on sale of assets	36	43
Gain on sales of property, plant and equipment	36	43
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	(192.663)	(187.346)
Depreciation	14.729	14.639
Amortization of Intangibles	54	49
Write-offs and provisions	7.631	8.756
Equity in gains of unconsolidated affiliates	(210.138)	(231.518)
Equity in losses of unconsolidated affiliates	681	1.948
Amortization of goodwill	750	916
Amortization of negative goodwill	0	0
Price-level restatement	20.540	17.188
Exchange differentials	(24.528)	1.109
Other credits to income that do not represent cash flows	(2.610)	(672)
Other debits to income that do not represent cash flows	228	239
Changes in operating assets	133.623	109.961
Receivables	26.009	13.558
Inventories	38.885	(19.056)
Other current assets	68.728	115.460
Changes in operating liabilities	46.989	16.035
Trade accounts payable and notes payables relating to operating activities	49.777	2.570
Taxes to be paid	1.032	(1.202)
Net income tax	(1.284)	2.140
Other trade accounts payable relating to operating activities	(12.670)	4.018
VAT and other taxes	10.135	8.508
Income attributable to minority interest	0	0
Net cash provided by operating activities	189.998	175.103



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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).

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