



EARNINGS REPORT 2nd Quarter 2009

S.A.C.I. FALABELLA



August 2009



Earnings – Second Quarter 2009

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Notes:

1. All figures in dollars are calculated using pesos in the Uniform Codified Statistical Record (FECU) as of June 30, 2009 and the observed dollar exchange rate for July 1, 2009 (CH\$531.76 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 totaled MMCH\$ 832,847 (MMUS\$ 1,566) compared to MMCH\$903,292 (MMUS\$1,698.7) in 2Q 2008. The decrease in sales by Sodimac Chile, product of the drop in construction activity, and the fall in revenues of international operations when expressed in Chilean pesos are principal causes of this change.
- A total of 33 stores were opened in the last 12 months and 3 malls. 15 of these stores were inaugurated in Peru, 9 in Colombia (including the takeover of 5 Casa Estrella Stores), 6 in Chile and 3 in Argentina.
- SG&A expenses of the Company fell 13.4% because of the operating efficiencies that are being implanted. The effect has been great, despite the heavy increase in store space of the different operations. SG&A with respect to sales fell from 19.9% in 2Q 2008 to 18.7% in 2Q 2009.
- This quarter's EBITDA was MMCH\$ 110,192 (MMUS\$ 207.2), compare to 117,420 (MMUS\$ 220.8) in 2Q08. The EBITDA margin rose slightly, to 13.2% on revenues, 23 basis points above the same quarter in the previous year.
- There was a non-operating loss of MMCH\$ 39,888 (MMUS\$ 75.0) for the quarter as compared to a loss of MMCH\$ 11,255 in 2Q 2008. The increase was mainly due to Exchange Differentials (per Bulletin 64) and Price-Level Restatement.
- Therefore, the consolidated net profit was MMCH\$ 33,381 (MMUS\$ 62.8) in the second quarter of 2009, 47.6% below the figure for the same period in the previous year.
- During 2Q, the company completed its liability refinancing, which extended the duration of the liabilities from 2.5 to 4 years. This reduced finance cost significantly, which should become less financial expenses in the second semester. The placements involved: the CMR Securitized Bond (MMCH\$ 90,000, 6.5 years maturity, spread of 154 bp above BCP); two SACI Falabella bond series for a total of UF 6.5 million, US\$256 million (Short Series: UF 3 million, 6 years maturity, spread of 139 bp above BCU. Long Series: UF 3.5 million, 24 years maturity, spread of 141 bp above BCU) and MMCH\$ 31,000, 6 years maturity, spread of 163 bp above BCP; and two Mall Plaza bond series for a total of UF 5 million, US\$197 million (Short Series: UF 2 million, 5 years maturity, spread of 128 bp above BCU; Long Series: UF 3 million, 21 years maturity, spread of 131 bp above BCU) (BCU = Chilean Central Bank Bonds in Unidades de Fomento; BCP = Central Bank Notes).
- The consolidated leverage was 1.26 times as of June 30, 2009 (versus 1.22 as of March 2009 and 1.26 as of June 2008), while net financial leverage was 0.87 times. The liquidity ratio rose considerably, from 1.21 in 1Q 2009 to 1.64 in 2Q 2009.

Notes:

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 and including 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 June 30, 2009

Consolidated Income Statement January – June 2009 (MMCHS)

	1S 2009	% Revenues	1S 2008	% Revenues	Var. 09/08
Revenues	1.680.066		1.690.223		-0,6%
COGS (less)	(1.209.714)	-72,0%	(1.192.778)	-70,6%	1,4%
GROSS MARGIN	470.352	28,0%	497.445	29,4%	-5,4%
SG&A (less)	(317.874)	-18,9%	(323.359)	-19,1%	-1,7%
OPERATING INCOME	152.478	9,1%	174.086	10,3%	-12,4%
Depreciation + Amortization (less)	(46.349)	-2,8%	(38.071)	-2,3%	21,7%
EBITDA	198.827	11,8%	212.157	12,6%	-6,3%
Interest Income	6.076		4.145		46,6%
Profit on investment in related companies	13.667		19.081		-28,4%
Other non-operating income	13.712		9.758		40,5%
Lost on investment in related companies (less)	(477)		0		n/a
Amortization of goodwill	(8.876)		(8.900)		-0,3%
Interest expenses (less)	(48.565)		(31.966)		51,9%
Other non-operating expenses (less)	(7.109)		(6.353)		11,9%
Price-level restatement	(13.575)		(7.653)		77,4%
Exchange differentials	(9.535)		(2.274)		319,4%
NON-OPERATING PROFIT (LOSS)	(54.681)	-3,3%	(24.163)	-1,4%	126,3%
PROFIT BEFORE INCOME TAX & EXTRAORD. ITEMS	97.797	5,8%	149.923	8,9%	-34,8%
INCOME TAX	(15.595)		(25.797)		-39,5%
MINORITY INTEREST	(9.986)		(10.585)		-5,7%
NET PROFIT (LOSS)	72.216		113.541		-36,4%
Amortization of negative goodwill	2		1		69,6%
PROFIT (LOSS) IN THE FISCAL YEAR	72.218	4,3%	113.542	6,7%	-36,4%
Adjusted EBITDA¹	212.018	12,6%	231.237	13,7%	-8,3%

Consolidated Income Statement April-June 2009 (MMS)

	2Q'09	% Revenues	2Q'08	% Revenues	Var. 09/08
Revenues	832.847		903.292		-7,8%
COGS (less)	(589.164)	-70,7%	(626.254)	-69,3%	-5,9%
GROSS MARGIN	243.684	29,3%	277.038	30,7%	-12,0%
SG&A (less)	(155.329)	-18,7%	(179.362)	-19,9%	-13,4%
OPERATING INCOME	88.354	10,6%	97.675	10,8%	-9,5%
Depreciation + Amortization (less)	(21.838)	-2,6%	(19.745)	-2,2%	10,6%
EBITDA	110.192	13,2%	117.420	13,0%	-6,2%
Interest Income	2.244		1.970		13,9%
Profit on investment in related companies	4.180		6.089		-31,3%
Other non-operating income	6.059		5.976		1,4%
Lost on investment in related companies (less)	0		611		n/a
Amortization of goodwill	(4.399)		(4.428)		-0,7%
Interest expenses (less)	(19.854)		(17.402)		14,1%
Other non-operating expenses (less)	(3.391)		(3.567)		-4,9%
Price-level restatement	(10.183)		(5.666)		79,7%
Exchange differentials	(14.543)		5.163		-381,7%
NON-OPERATING PROFIT (LOSS)	(39.888)	-4,8%	(11.255)	-1,2%	254,4%
PROFIT BEFORE INCOME TAX & EXTRAORD. ITEMS	48.466	5,8%	86.420	9,6%	-43,9%
INCOME TAX	(10.979)		(15.506)		-29,2%
MINORITY INTEREST	(4.107)		(7.175)		-42,8%
NET PROFIT (LOSS)	33.380		63.739		-47,6%
Amortization of negative goodwill	1		0		481,7%
PROFIT (LOSS) IN THE FISCAL YEAR	33.381	4,0%	63.739	7,1%	-47,6%
Adjusted EBITDA¹	114.373	13,7%	124.120	13,7%	-7,9%

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



III. Analysis of Consolidated Results

Operating Income

The consolidated operating income in 2Q 2009 totaled MMCH\$ 88,354 (MMUS\$ 166.2), a 10.6% of revenues compared to 10.8% in 2Q08. This is mainly explained by the decrease in operating income of Sodimac Chile and of international operations. This effect was largely offset by the efficiency measures that have been implemented, shown by the 13.4% drop in SG&A despite having opened 33 new stores and 3 malls in the last 12 months. Also of import was the consolidation of Plaza Vespucio starting July 30, 2008. The EBITDA margin grew 23 basis points, to 13.2% of revenues in the quarter.

The operating income of the semester was MMCH\$ 152,478 (MMUS\$ 286.7), a 9.1% of revenues compared to 10.3% during 1S08.

Revenues

Revenues in 2Q 2009 totaled MMCH\$ 832,847 (MMUS\$ 1,566.2), compared to MMCH\$ 903,292 (MMUS\$ 1,698.7) in 2Q 2008. The cause of the change was mainly: i) a drop in nominal same-store sales averaging 6.3% on a consolidated basis. Home improvement has been particularly affected by the contraction in the construction and property sectors as its SSS fell a nominal 10.7% in 2Q; and ii) the effect of converting income from international operations pursuant to Bulletin 64 due to the 20.2% depreciation in the Chilean peso between March 2008 and June 2008, which is the comparison quarter.

Cumulative revenues totaled MMCH\$1,680,066 (MMUS\$ 3,159.4) as of June 30, 2009, dropping 0.6% compared to the previous year.

Gross Margin

The gross margin in 2Q 2009 was 29.3% of revenues, 141 base points below the same quarter in the previous year. It totaled MMCH\$243,684 (MMUS\$458.3). This meant a 12.0% drop compared to 2Q 2008. This drop in margin was caused principally by the commercial effort of the company in facing a moderation in consumption and by the increase in provisions of CMR.

On a cumulative basis through June, the gross margin has fallen 143 basis points of revenues, to 28.0% of sales or MMCH\$470,352 (MMUS\$884.5).

Selling, General and Administrative Expenses (SGA)

During 2Q 2009, expenses fell 13.4% compared to the same period in the previous year, totalling MMCH\$155,329 (MMUS\$292.1). SG&A represented 18.7% of sales in the period, 121 basis points below 2Q 2008. This drop is the result of operating efficiencies being implanted in the company's different lines of business.

On a cumulative basis through June, SG&A fell 21 basis points as a percentage of sales in comparison to the previous year, totaling 18.9% of revenues, or MMCH\$317,874 (MMUS\$597.8).



Non-Operating Profit (Loss)

In 2Q 2009, there was a non-operating loss of MMCH\$ 39,888 (MMUS\$ 75.0) as compared to a loss of MMCH\$ 11,255 (MMUS\$ 21.2) in 2Q 2008.

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

- Exchange Differential: it caused a loss of MMCH\$14,543 (MMUS\$27.3) in 2Q 2009 compared to a gain of MMCH\$5,163 (MMUS\$9.7) in 2Q 2008. The cause was a heavy revaluation of the dollar with respect to the local currency that had an impact on the income of foreign operations, according to Bulletin 64.
- Price-Level Restatement (PLR): The PLR loss rose by MMCH\$4,517, 79.7% more than the same quarter in the previous year, totaling MMCH\$10,183 (MMUS\$19.2). This has occurred because of an inflation hedging policy at around 0.3% monthly, together with periods of abnormally low inflation (or even deflation) and the decrease in the price of iron which affected Sodimac's inventories.
- Interest Expense net of Interest Income: these expenses rose, on a net basis, by MMCH\$2,178 (MMUS\$4.1), 14.1% higher than in the same quarter in 2008. The rise is attributed mainly to an increase in financial debt because of the financing of investment projects in the last 12 months, the consolidation of Plaza Vespucio starting July 31, 2008, the acquisition of Mall Calama and the new debt securities issued by SACI Falabella that generated Interest Expense for a month before the debt was prepaid. The new issues during 2009 at lower rates should result in proportionally lower interest expenses in the future.
- Profit/loss on investments in related companies: Profits decreased MMCH\$ 2,136 (MMUS\$ 4), a drop of 35%. This effect can be explained mainly by the following related investments:

Companies where recognized profits decreased:

- Sodimac Colombia: the recognized profits was MMCH\$ 3,034, mainly because of Exchange Differentials that occur when recognizing this operation pursuant to Bulletin 64. In Colombian GAAP the recognize profits was MMUS\$ 0.9.
- 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, the profits of Plaza Vespucio fell 100% in this line.
- Mall Calama: SACI Falabella purchased 75% of the shares in this company on March 31, 2009, which were added to the 25% it already owned. Therefore, the results of the first and second quarters appear in the consolidated income statement.
- Banco Falabella Chile: its recognized profits dropped 40.8% to MMCH\$ 753 in the second quarter of 2009, mainly due to increase in provisions.

Companies where recognized profits increased:

- CMR Colombia: Profits in the period varied positively by MMCH\$ 1,871 compared to the second quarter of 2008, totaling MMCH\$ 1,667.
- Banco Falabella Peru: This quarter's profits totaled MMCH\$ 4,545, 62% above the same period in 2008.
- Farmacias Ahumada: Profits recognized in the period totaled MMCH\$ 15 compared to a loss of MMCH\$ 312 in the same period in 2008.



IV. Main Events in the Period

2Q 2009

- Chile:
 - A new Imperial Store was opened in Temuco (May 2009).
- Argentina:
 - A new Falabella DOT store was opened in Buenos Aires (May 2009).
- On April 2, 2009, Promotora CMR Falabella S.A. placed a Securitized Bond for CH\$90,000 million for a period of 4.69 years at a spread of 154 basis points above BCP-7.
- The annual shareholders meeting was held on April 28, 2009. The main items of business were to re-elect the actual members of the board for a new 3-year term of office and approve the payment of a final dividend of CH\$26 per share on account of 2008 fiscal year profits. This dividend was paid on May 27, 2009.
- SACI Falabella placed two bond series on April 29, 2009 for a total of UF 6.5 million (approximately US\$256 million). The series were: Short series: UF 3 million, 6 years maturity, spread of 139 basis points above BCU. Long series: UF 3.5 million, 24 years maturity, spread of 141 basis points above BCU. On May 12, 2009, SACI Falabella also placed MMCH\$ 31,000, 6 years, spread of 163 basis points above BCP.
- In May, Mall Plaza placed two series of bonds for a total of UF 5 million (US\$197 million). These series were: Short series: UF 2 million out to 5 years at a spread of 128 basis points above BCU. Long series: UF 3 million out to 21 years at a spread of 131 basis points above BCU.

Other Recent Events in 3Q 2009

- The price per share in the capital increase of 22,246,633 shares was set in July at CH\$ 2,117.78. Those shares are allocated to the executive stock option plan. Shareholders enjoy a right of first refusal from August 13 to September 12, 2009 and can subscribe 0.0083673080 new shares for each share registered in their name in the Shareholders Registry on Friday, August 7, 2009.
- The Casa Estrella stores in Colombia are being remodeled (taken over in November 2008). Chipichape Cali was recently inaugurated.



V. Retail Indicators

1. Revenues from the Retail Businesses

Cumulative Retail Revenues 1S 2009 (MUS\$)²

(Adjusted Chilean pesos converted to USD at the observed e/r for July 1, 2009)

	1S 2009	1S 2008	Var. 09/08
Department Stores - Chile	680.872	698.845	-2,6%
Home Improvement - Chile	999.885	1.088.489	-8,1%
Supermarkets - Chile	283.072	266.818	6,1%
Retail - Peru (Saga, Sodimac & Tottus)	501.526	504.827	-0,7%
Retail - Argentina (Falabella & Sodimac)	171.016	161.238	6,1%
Retail - Colombia (Falabella & Sodimac)	349.821	380.615	-8,1%

Retail Revenues 2Q 2009 (MUS\$)²

(Adjusted Chilean pesos converted to USD at the observed e/r for July 1, 2009)

	2Q 2009	2Q 2008	Var. 09/08
Department Stores - Chile	360.177	363.284	-0,9%
Home Improvement - Chile	480.233	529.981	-9,4%
Supermarkets - Chile	142.605	135.208	5,5%
Retail - Peru (Saga, Sodimac & Tottus)	245.401	309.429	-20,7%
Retail - Argentina (Falabella & Sodimac)	88.583	104.583	-15,3%
Retail - Colombia (Falabella & Sodimac)	168.656	227.213	-25,8%

Same-Store Sales (SSS) Growth³

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

	1S 2008	9M 2008	2008	1Q 2009	2Q 2009	1S 2009
Department Stores - Chile	5,8%	4,8%	1,5%	-5,6%	-2,5%	-3,9%
Home Improvement - Chile ⁴	13,9%	15,6%	11,9%	-5,9%	-10,7%	-7,9%
Supermarkets - Chile	13,5%	12,2%	10,9%	3,5%	-1,0%	1,2%
Retail - Peru (Saga, Sodimac & Tottus)	11,8%	11,8%	9,9%	-2,7%	-9,0%	-6,5%
Retail - Argentina (Falabella & Sodimac)	19,5%	14,7%	11,8%	-10,1%	6,4%	-0,5%

Chile Department Stores

Revenues during 2Q 2009 totaled MMCH\$ 191,528 (MMUS\$ 360.2), a real drop of 0.9% compared to the previous year, mainly caused by a nominal negative SSS of -2.5%.

Chile Home Improvement

Revenues totaled MMCH\$255,368 during 2Q 2009 (MMUS\$480.2), a drop of 9.4%. This reduction came principally from the fall of 10.7% in nominal SSS revenues, caused by the economic slowdown in the construction and real estate sectors that has had a significant impact on our sales to companies.

² Excludes revenues from the credit business.

³ 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.

⁴ Sodimac SSS does not include the Imperial stores.



Chile Supermarkets

Revenues rose 5.5% during 2Q 2009, totaling MMCH\$ 75,832 (MMUS\$ 142.6), as compared to the same period in the previous year. This increase was mainly the product of opening 3 new stores in the last 12 months.

Peru

The revenues from the retail business in Peru (Saga Falabella, Sodimac and Tottus) fell 20.7% in Chilean pesos, to MMCH\$130,494 (MMUS\$245.4). This drop was caused mainly by the application of Bulletin 64 in the recognition of income from Peru in the Chilean FECU as the Chilean peso depreciated in 2Q 2008. Measured in nominal Peruvian sols, revenues rose 6.9% compared to the same period in 2008, but were offset by a negative 9.0% nominal SSS.

Argentina

Retail revenues in 2Q 2009 fell 15.3% compared to the same period in the previous year, totaling MMCH\$7,105 (MMUS\$88.6). Like in Peru, this drop was caused mainly by the application of Bulletin 64 in the recognition of income. Measured in nominal Argentine pesos, the SSS grew 6.4%.

Colombia

The revenues of Sodimac and Falabella Colombia decreased a combined 25.8% during 2Q 2009 with respect to 2Q 2008. The total was MMCH\$89,685 (MMUS\$168.7) and was also due to the application of Bulletin 64.

2. Number of Stores and Floor Space

Sales Area	1S 2009		1S 2008	
	Area (m ²)	Stores	Area (m ²)	Stores
Department Stores - Chile	226.666	35	216.624	34
Home Improvement - Chile ⁶	533.031	65	493.699	63
Supermarkets - Chile	100.440	24	88.111	21
Department Stores - Peru	90.592	15	76.847	13
Home Improvement - Peru	98.219	13	67.217	8
Supermarkets - Peru	85.507	17	54.601	9
Department Stores - Argentina	59.569	10	50.445	9
Home Improvement - Argentina	46.168	4	25.353	2
Department Stores - Colombia	55.878	9	35.835	4
Home Improvement - Colombia	190.616	19	155.548	15
Total	1.486.686	211	1.264.280	178

On a consolidated basis, 2 new stores were opened during the second quarter of 2009, one Imperial Store in Chile and one Falabella store in Argentina. 2 Home Centers were closed in Chile. On a cumulative basis through June 2009, the company has 211 stores in the 4 countries where it does business.

⁵ Includes Imperial stores.



Chile Department Stores

One new store was opened and 10,043 m² of net floor space were added in the 12 months since June 2008, pertaining to the San Bernardo store (6,606 m², Nov. 2008) and the remodeling and enlargement of the Osorno store (+3,437 m²).

Chile Home Improvement

3 Sodimac stores were opened in Chile in the 12 months since June 2008, 1 Imperial Store and 1 store relocation. 2 Sodimac stores were closed (one in La Florida and the other in Temuco, where an Imperial store was installed). The net floor space rose by 39,332 m². This increase includes the Homecenter stores opened in Estacion Central (10,615 m², Sep-08), El Bosque (8,560 m², Oct-08), San Bernardo (11,962 m², Nov-08), Imperial Temuco (4,467 m², May 2009) and 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, Oct-2008) were also enlarged and the Homecenter Copiapo was remodeled (now 8,895 m², Sep-08).

San Francisco-Tottus Supermarkets

3 new San Francisco and Tottus supermarkets were opened in the 12 months since June 2008 and the net floor space rose by 12,329 m²: Tottus Alameda (4,209 m², Jul-08), Tottus El Bosque (4,100 m², Nov-08), and Tottus San Fernando (4,020 m², Jan-2009).

Peru

15 new stores were opened in Peru in the 12 months since June 2008 while the floor space rose by 75,653 m². This was due mainly to the opening of 2 SAGA Falabella stores (13,745 m² increase in floor space--the Chiclayo store measuring 356 m² was also closed), 5 Sodimac stores (increase of 31,002 m² of floor space) and 8 Tottus hypermarkets (increase of 30,906 m² of floor space).⁶

Argentina

In Argentina, 3 new stores were inaugurated in Buenos Aires in the 12 months since June 2008, one Falabella Store⁷ and two Sodimac Stores. The floor space increased by 29,939 m². The new stores are: Sodimac San Justo (11,930 m², Aug-08), Sodimac Villa Tesei (9,198 m², Oct-08), and Falabella DOT Buenos Aires (6,470 m², May 2009).

Colombia

Colombia has gained 9 stores in the last 12 months since June 2008, 5 Falabella stores and 4 Sodimac stores. Therefore, the floor space rose by 55,111 m². The new stores are: 5 former Casa Estrella stores, Sodimac HC Bello (6,768 m², Sep-08), HC Molinos (8,433 m², Dec-08) in Medellin, HC Cucuta (11,465 m², Jan-09) and HC Villavicencio (8,402 m², Mar-09).

⁶ Square meters of floor space in Saga and Tottus Stores were retabulated during 1Q 2009 and differ from the amounts reported in 4Q 2008

⁷ Square meters of floor space in Falabella Stores were retabulated during 1Q 2009 and differ from the amounts reported in 4Q 2008.



3. Inventories⁸

	Days in Inventory				
	1S 2008	9M 2008	2008	1Q 2009	1S 2009
Department Stores - Chile	77	72	79	85	70
Home Improvement - Chile	75	101	98	85	78
Supermarkets - Chile	31	29	26	32	27
Department Stores - Peru	83	86	89	113	95
Home Improvement - Peru	119	126	121	113	105
Supermarkets - Peru	35	48	56	47	43
Retail - Argentina (Falabella & Sodimac)	160	153	127	123	110

Days in inventory of the Falabella Group fell 4.7% in 1S 2009 with respect to 1S 2008, totaling an average of 73 days among retail operations. This decrease in days in inventory is mainly the result of a strict inventory control in all subsidiaries and a moderation of the purchasing volume in line with the drop in demand. This drop in days in inventory has, nonetheless, been offset by a 17.6% increase in floor space and a drop in SSS (nominal) of 3.9%.

Falabella Chile reduced its days in inventory by 7 days between 1S 2009 and 1S 2009 because of a strict inventory control, above all for home appliances (Electrohogar). Tottus Chile also reduced its days in inventory by 14%.

Moreover, Sodimac has only 3 additional days in inventory in 1S 2009 compared to 1S 2008, mainly because of the slowdown in SSS and increase 8% increase in floor space in the last 12 months. Nonetheless, it was able to lower the indicator by 7 days compared to the previous quarter.

The drop in days in inventory in international operations was even more pronounced, 7.5%. It occurred principally in Argentina, where they fell 31.3%. The decrease in Argentina is largely the result of a greater control of imported products and the maturity of the Sodimac stores.

In Peru, the days in inventory are 6.2% greater compared to June 2008, due mainly to the 15 openings that took place in this period, with a 38% rise in floor space. This indicator fell 3.2 percentage points compared to the previous quarter and it is expected to normalize as the year passes and the new stores mature.

⁸ 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 Stores⁹

Department store operating income rose 8.2% in 2Q 2009, totaling MMUS\$ 24.5, as compared to the same period in the previous year. This growth was mainly the result of the drop in SG&A with respect to sales, which began to reflect the efforts towards operating efficiency. Operating income was offset by drops in revenues due to the less dynamic demand that affected SSS, which fell a nominal 2.5% during the quarter. The drop in the gross margin compared to the same quarter in the past year was mainly caused by the increase in costs of importing given by the appreciation of the dollar.

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

	2Q'09	2Q'08	Var.%	1S 2009	1S 2008	Var.%
Revenues	360,2	365,0	-1,3%	680,9	698,8	-2,6%
Costs	-69,3%	-67,7%	1,0%	-70,6%	-68,7%	0,1%
Gross Margin	30,7%	32,3%	-6,1%	29,4%	31,3%	-8,4%
SGA w/o depreciation	-22,1%	-23,9%	-8,6%	-23,7%	-24,6%	-5,9%
EBITDA	8,6%	8,4%	0,8%	5,7%	6,7%	-17,3%
Depreciation + Amortization	-1,8%	-2,2%	-19,8%	-2,0%	-2,2%	-13,7%
Operating Profit (Loss)	6,8%	6,2%	8,2%	3,7%	4,5%	-19,1%

2. Chile Home Improvement

Sodimac Chile's operating income was MMUS\$ 22.2 in 2Q 2009, 41.4% below the same period in the previous year. This reduction came mainly from the slowdown in the real estate and construction sectors that delayed new projects, which had an impact on Sodimac's sales to companies in those sectors, scenario expected from the company. The gross margin remained in line with 2Q 2008. SG&A remained stable compared to the same period in the past year, even though floor space rose 8% and a new distribution center was put into operation. SG&A increased 200 basis points with respect to sales, even though Sodimac presents a significant drop in SG&A in terms of same stores.

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

	2Q'09	2Q'08	Var.%	1S 2009	1S 2008	Var.%
Revenues	480,2	530,0	-9,4%	999,9	1.088,5	-8,1%
Costs	-72,5%	-72,6%	-9,5%	-73,8%	-73,3%	-7,6%
Gross Margin	27,5%	27,4%	-9,0%	26,2%	26,7%	-9,8%
SGA w/o depreciation	-21,5%	-19,5%	-0,1%	-20,3%	-18,7%	-0,3%
EBITDA	6,1%	8,0%	-30,9%	5,9%	7,9%	-32,1%
Depreciation + Amortization	-1,5%	-0,8%	60,0%	-1,8%	-1,1%	46,0%
Operating Profit (Loss)	4,6%	7,2%	-41,4%	4,1%	6,8%	-44,8%

⁹ 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.



3. Chile Supermarkets

The Tottus-San Francisco supermarkets suffered an operating loss of MMUS\$0.5 in 2Q 2009. The EBITDA rose 20.1%, to MMUS\$4.4, or 3.1% of sales. The 5.5% growth in revenues was mainly the product of opening 3 new stores in the last 12 months.

Chile Supermarkets (MMUS\$ and percentage of sales)

	2Q'09	2Q'08	Var. %	1S 2009	1S 2008	Var. %
Revenues	142,6	135,2	5,5%	283,1	266,8	6,1%
Costs	-79,2%	-79,5%	5,1%	-78,0%	-79,2%	4,5%
Gross Margin	20,8%	20,5%	6,9%	22,0%	20,8%	12,2%
SGA w/o depreciation	-17,8%	-17,9%	4,9%	-19,2%	-18,4%	10,6%
EBITDA	3,1%	2,7%	20,1%	2,8%	2,4%	24,5%
Depreciation + Amortization	-3,4%	-3,0%	20,9%	-3,4%	-3,0%	17,8%
Operating Profit (Loss)	-0,3%	-0,3%	28,9%	-0,6%	-0,6%	-7,4%

4. International Operations

During 2Q 2009, the revenues of the international businesses that are consolidated (Argentina, Peru and Colombia)¹⁰ decreased 17.4%, mainly because of the recognition of foreign income in the Chilean FECU according to Bulletin 64 because of depreciation of the Chilean peso in 2Q 2008. Operating income totaled 3.9% of sales, compared to 6.5% in the same period in 2008. The cause was basically that additional expenses were not diluted by the level of sales since 23 stores were opened in the last 12 months (+4 in Sodimac in Colombia that are not consolidated).

Peru¹¹

Consolidated operating income from Peru amounted to MMUS\$ 18.6 in 2Q 2009, a drop of 33.5%. The cause was mainly the effect of recognizing foreign income pursuant to Bulletin 64 and a drop of 9.0% in nominal SSS. Retail revenues measured in Peruvian sols grew 6.9% in the quarter compared to the same period in the past year. The 15 new stores opened in the last 12 months had an impact that increased depreciation expenses that should be diluted as the stores mature. The EBITDA margin was 7.4% of sales, 141 bp less than the same quarter last year. This drop in EBITDA margin was caused principally by the business mix, where 13 of the 15 new stores are Tottus Hypermarkets and Sodimac stores. The SG&A fell with respect to sales in the period, from 17.4% in 2Q 2008 to 16.8% in 2Q 2009.

¹⁰ Excluding Banco Falabella Peru, CMR Colombia, Sodimac Colombia and Aventura Plaza Peru.

¹¹ The revenues presented 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. The results of Mall Aventura Plaza are not included either, even though they are consolidated in SACI Falabella.



Peru Consolidated (MMUS\$ and percentage of income)

	2Q'09	2Q'08	Var.%	1S 2009	1S 2008	Var.%
Revenues	252,7	318,9	-20,7%	517,7	520,7	-0,6%
Costs	-72,6%	-72,1%	-20,2%	-74,1%	-72,9%	1,1%
Gross Margin	27,4%	27,9%	-22,2%	25,9%	27,1%	-5,3%
SGA w/o depreciation	-16,8%	-17,4%	-23,3%	-17,8%	-17,5%	0,8%
EBITDA	10,6%	10,5%	-20,3%	8,1%	9,6%	-16,4%
Depreciation + Amortization	-3,2%	-1,8%	45,8%	-3,0%	-1,8%	61,8%
Operating Profit (Loss)	7,4%	8,8%	-33,5%	5,1%	7,7%	-35,0%

Argentina

There was a consolidated operating loss of MMUS\$ 2.5 in Argentina in 2Q 2009. It was basically the result of the new Sodimac stores having yet to mature and the effect of recognizing foreign income per Bulletin 64.

Argentina Consolidated (MMUS\$ and percentage of income)

	2Q'09	2Q'08	Var.%	1S 2009	1S 2008	Var.%
Revenues	97,0	112,0	-13,4%	189,5	173,3	9,3%
Costs	-64,8%	-62,6%	-10,3%	-67,0%	-64,1%	14,2%
Gross Margin	35,2%	37,4%	-18,6%	33,0%	35,9%	0,6%
SGA w/o depreciation	-34,9%	-34,0%	-11,1%	-36,0%	-34,6%	13,6%
EBITDA	0,3%	3,4%	-93,3%	-2,9%	1,3%	-354,9%
Depreciation + Amortization	-2,8%	-2,1%	17,6%	-2,8%	-2,2%	39,6%
Operating Profit (Loss)	-2,5%	1,3%	-263,1%	-5,7%	-0,9%	588,4%

Colombia¹²

The operating loss in Colombia totaled MMUS\$-1.1 in 2Q 2009 compared to a profit of MMUS\$1.2 in 2Q 2008. SG&A rose 4.3 percentage points with respect to sales, to 30.6%, basically because of the remodelling of the former Casa Estrella stores that continued in operation, albeit with less than 10% of the floor space available. The gross margin fell 5.5 percentage points because of the reduced-price sale of stocks of Casa Estrella.

Colombia Consolidated (MMUS\$ and percentage of income)

	2Q'09	2Q'08	Var.%	1S 2009	1S 2008	Var.%
Revenues	39,6	40,5	-2,2%	77,0	60,8	26,7%
Costs	-69,0%	-63,5%	6,3%	-70,4%	-65,2%	36,8%
Gross Margin	31,0%	36,5%	-17,1%	29,6%	34,8%	8,0%
SGA w/o depreciation	-30,6%	-26,3%	13,9%	-33,2%	-32,1%	30,9%
EBITDA	0,4%	10,2%	-96,6%	-3,5%	2,7%	-267%
Depreciation + Amortization	-3,0%	-7,2%	-59,1%	-3,2%	-3,3%	24,5%
Operating Profit (Loss)	-2,7%	3,0%	-186,9%	-6,8%	-0,6%	n.a.

¹² The operating income shown in this section does not include either the Financiera CMR Colombia operation nor the Sodimac Colombia operation in any period. The results of Financiera CMR Colombia and Sodimac Colombia are recorded as a profit on the investment in related companies.



5. Promotora CMR Chile

Operating income of Promotora CMR Chile amounted to MMUS\$ 40.9 in 2Q 2009, decreasing 15.2%. The fall was mainly due to the increase in provisions and write-offs compared to the previous quarter. Provisions represented 6.4% of credits. Nonetheless, SG&A decreased 12.4% in comparison to the same period in 2008, which reflects the continuing implementation of operating efficiency initiatives by the company. Along these same lines, it is notable that Promotora CMR has been able to keep revenues stable through more restrictive credit policies, an increase in revenues from late-payment interest and a recovery of write-offs in an adverse scenario where credit-backed sales has been reduced.

Promotora CMR (MMUS\$ and percentage of income)

	2Q'09	2Q'08	Var.%	1S 2009	1S 2008	Var.%
Revenues	124,4	126,2	-1,4%	251,2	248,9	1,0%
Costs	-58,9%	-52,4%	10,7%	-59,5%	-54,4%	10,5%
Gross Margin	41,1%	47,6%	-14,7%	40,5%	45,6%	-10,4%
SGA w/o depreciation	-8,3%	-9,3%	-12,4%	-8,2%	-9,0%	-7,8%
Operating Profit (Loss)	32,8%	38,2%	-15,2%	32,3%	36,7%	-11,0%

6. Mall Plaza Chile

Operating income totaled MMUS\$ 41.2, 66% higher. Revenues totaled MMUS\$63.8, 42.8% higher than the same period in 2008. This increase was basically the result of opening Mall Plaza Alameda and Mall Plaza Sur (San Bernardo) in the second half of 2008, of acquiring Mall Calama in April 2009 and of consolidating Mall Plaza Vespucio starting in August 2008.

Plaza S.A. (MMUS\$ and percentage of income)

	2Q'09	2Q'08	Var.%	1S 2009	1S 2008	Var.%
Revenues	63,8	44,7	42,8%	123,1	85,1	44,6%
Costs	-24,6%	-24,7%	42,2%	-26,1%	-25,4%	48,6%
Gross Margin	75,4%	75,3%	42,9%	73,9%	74,6%	43,2%
SGA	-10,8%	-19,7%	-21,8%	-14,9%	-17,3%	24,4%
Operating Profit (Loss)	64,6%	55,6%	65,9%	59,1%	57,4%	48,9%
EBITDA	69,5%	61,5%	61,3%	67,7%	64,3%	52,2%

Note: Depreciation is recorded in the cost line.

7. Sociedad de Rentas Falabella (SRF)

During 2Q 2009, operating income totaled MMUS\$ 10.2, a 17.0% rise as compared to the 2Q in the previous year. It totaled MMUS\$20.5 in 1S 2009, a 17.5% increase with respect to the previous year.



VII. Credit Indicators

1. CMR Card Sales

	Cumulative Percentage of Sales using CMR ¹³				
	1S 2008	9M 2008	2008	1Q 2009	1S 2009
Department Stores - Chile	63,5%	63,5%	62,9%	60,0%	61,8%
Home Improvement - Chile	29,4%	29,3%	29,3%	28,8%	28,7%
Supermarkets - Chile	18,0%	18,9%	19,0%	17,5%	18,9%
Department Stores - Peru	65,4%	65,1%	64,3%	59,5%	61,1%
Home Improvement - Peru	33,9%	34,5%	33,9%	30,7%	32,1%
Supermarkets - Peru	47,7%	47,8%	46,9%	40,9%	40,9%
Department Stores - Argentina	41,2%	40,0%	37,5%	35,5%	34,2%
Department Stores - Colombia			29,2%	25,4%	28,0%
Home Improvement - Colombia			11,6%	9,7%	10,4%

By June 2009, there were 2.4 million active CMR cards in Chile; 1.3 million in Peru; 735,000 in Argentina and 466,000 in Colombia.

2. CMR Chile

a. Total Gross Loans (Nominal MMCH\$)				
	1Q	2Q	3Q	4Q
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
2009	713.596	687.798		

b. Total Loan Provisions (Nominal MMCH\$)					
	0	1Q	2Q	3Q	4Q
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
2009		-42.988	-44.170		

c. Provisions/Loans				
	1Q	2Q	3Q	4Q
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%
2009	6,02%	6,42%		

d. Cumulative Net Write-offs (Nominal MMCH\$)				
	1Q	2Q	3Q	4Q
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
2009	19.712	36.982		

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.



3. Banco Falabella Chile

a. Total Gross Loans (Nominal MMCH\$)				
	1Q	2Q	3Q	4Q
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
2009	625.612	682.982		

b. Total Loan Provisions (Nominal MMCH\$)				
	1Q	2Q	3Q	4Q
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
2009	-23.022	-23.872		

c. Provisions/Loans				
	1Q	2Q	3Q	4Q
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%
2009	3,68%	3,50%		

d. Cumulative Net Write-offs (Nominal MMCH\$)				
	1Q	2Q	3Q	4Q
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
2009	6.077	13.940		

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. That Commission requires all local banks to make an additional provision of 2.5% on the total loan portfolio.

a. Total Gross Loans (Nominal MUS\$)				
	1Q	2Q	3Q	4Q
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
2009	382.120	395.797		

b. Total Loan Provisions (Nominal MUS\$)				
	1Q	2Q	3Q	4Q
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
2009	-31.777	-37.622		

c. Provisions/Loans				
	1Q	2Q	3Q	4Q
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%
2009	8,32%	9,51%		

d. Cumulative Net Write-offs (Nominal MUS\$)				
	1Q	2Q	3Q	4Q
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
2009	5.230	12.200		

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 3.51%.

a. Total Gross Loans (Nominal MUS\$)

	1Q	2Q	3Q	4Q
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
2009	55.755	60.003		

b. Total Loan Provisions (Nominal MUS\$)

	1Q	2Q	3Q	4Q
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
2009	-2.085	-2.244		

c. Provisions/Loans

	1Q	2Q	3Q	4Q
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%
2009	3,74%	3,74%		

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

	1Q	2Q	3Q	4Q
2006	-32	-116	-193	-290
2007	-49	-83	-85	-60
2008	82	171	-319	506
2009	336	603		

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.

a. Total Gross Loans (Nominal MUS\$)

	1Q	2Q	3Q	4Q
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
2009	89.751	105.576		

b. Total Loan Provisions (Nominal MUS\$)

	1Q	2Q	3Q	4Q
2006	-164	-465	-972	-1.232
2007	-1.402	-1.841	-2.444	-3.453
2008	-4.889	-6.179	-7.130	-7647
2009	-7.067	-8.556		

c. Provisions/Loans

	1Q	2Q	3Q	4Q
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%
2009	7,87%	8,10%		

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

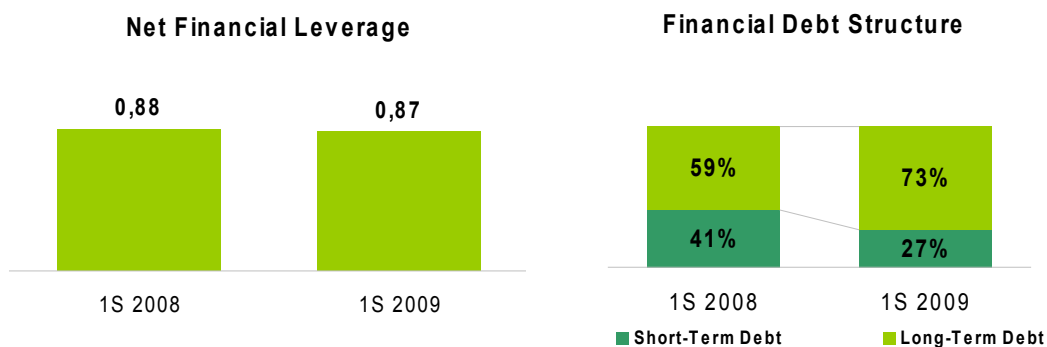
	1Q	2Q	3Q	4Q
2006	0	0	94	603
2007	506	1.051	1.672	2.312
2008	1.193	2.573	2.370	4.065
2009	1.651	3.879		



Note: Write-offs are net of recoveries

VIII. Financial Structure

1. Financial Debt as of June 30, 2009

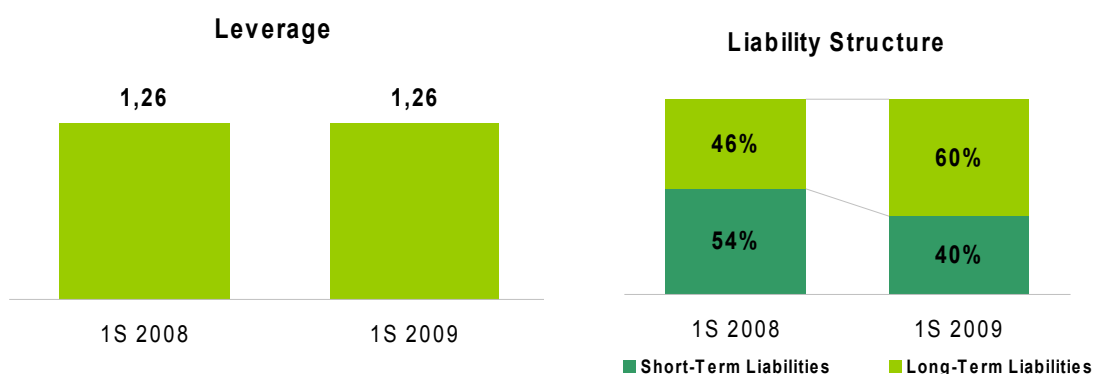


Note: Total Financial Debt as of June 30, 2009 was MMCH\$ 1,765,814 (MMUS\$ 3,321). It includes the CMR business debt in Chile and Argentina. As of 1Q 2007, it also included the liabilities of Mall Plaza (except for Mall Plaza Vespucio). Starting in August 2008, Mall Plaza Vespucio is included. The Net Financial Leverage Indicator = (Financial Debt - Cash and Banks - Time Deposits - Marketable Securities)/(Equity + Minority Interest).

Liabilities expiring in 2009 were refinanced during 2Q to extend from 2.5 to 4 years the duration of the debt and obtain more convenient rates.

The following securities were issued: the CMR Securitized Bond (MMCH\$90,000, 6.5 years maturity, spread of 154 bp above BCP); two SACI Falabella bond series for a total of UF 6.5 million, US\$256 million (Short Series: UF 3 million, 6 years maturity, spread of 139 bp above BCU. Long Series: UF 3.5 million, 24 years maturity, spread of 141 bp above BCU). MMCH\$31,000 were also issued in May, 6 years maturity, spread of 163 basis points above BCP; and two Mall Plaza bond series for a total of UF 5 million, US\$197 million (Short Series: UF 2 million, 5 years maturity, spread of 128 bp above BCU; Long Series: UF 3 million, 21 years maturity, spread of 131 bp above BCU).

2. Total Liabilities as of June 30, 2009



Note: Liabilities totaled MMCH\$ 2,320,658 as of June 30, 2009 (MMUS\$ 4,364). This figure included the liabilities of CMR in Chile and Argentina. As of 1Q 2007, it also included the liabilities of Mall Plaza (excluding Plaza Vespucio). Mall Plaza Vespucio is included starting in August 2008. Leverage indicator = (Current Liabilities + Long-term Liabilities) / (Equity + Minority Interest).



IX. Stores and Floor Space

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

Note: As of this quarter, stores distributed along Paseo Ahumada are grouped as one single store since they offer all products and services of a Falabella store taken together. The Downtown Concepcion store is what used to be called Barros Arana in previous reports.

N°	Store	Selling Space	Opening	Region
1	Paseo Ahumada	9.436	Oct-1889	RM
2	Concepción Centro	8.402	may-62	VIII
3	Parque Arauco	12.190	oct-83	RM
4	Temuco	5.307	may-86	IX
5	Viña del Mar	5.136	sep-87	V
6	Plaza Vespucio	8.087	ago-90	RM
7	Lyon	7.837	feb-92	RM
8	Rancagua	5.647	feb-92	VI
9	Calama	6.179	may-93	II
10	Alto Las Condes	9.874	oct-93	RM
11	Plaza Oeste	10.869	nov-94	RM
12	Plaza del Trébol	6.325	abr-95	VIII
13	Osorno	6.912	oct-95	X
14	Chillán	4.659	sep-96	VIII
15	Talca	5.132	may-97	VII
16	Copiapó	3.508	mar-98	III
17	Plaza Tobalaba	7.192	nov-98	RM
18	La Serena	4.963	nov-98	IV
19	Valparaíso	5.565	feb-99	V
20	Curicó	3.905	sep-00	VII
21	Iquique	5.296	sep-00	I
22	Puerto Montt	5.946	jul-01	X
23	Quilpué	4.543	sep-01	V
24	Plaza Los Angeles	5.158	mar-03	VIII
25	Plaza Norte	5.677	nov-03	RM
26	Paseo Puente	7.771	oct-05	RM
27	La Dehesa	7.904	nov-05	RM
28	Antofagasta Mall	9.164	oct-06	II
29	La Calera	4.907	nov-06	V
30	Valdivia	4.534	jun-07	XIV
31	Melipilla	3.723	jun-07	RM
32	Punta Arenas	5.349	nov-07	XII
33	Manquehue	6.125	mar-08	RM
34	Estación Central	6.839	may-08	RM
35	San Bernardo	6.606	nov-08	RM
TOTAL		226.666		

- Other minor stores:

1	Expo Arica	132	
2	Expo San Fernando	440	
3	Expo Castro	176	
4	Bodega Rosas, Stgo.	3.244	ene-01
TOTAL		5.576	



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

N°	Store	Selling Space	Opening	Region
1	HC Copiapó	8.895	ene-82	III
2	Co Viña del Mar	4.517	ene-82	V
3	Co Valparaíso	668	ene-82	V
4	Co Talcahuano	1.813	ene-82	VIII
5	Co Rancagua	1.783	ene-82	VI
6	Co Maipú	4.306	ene-82	RM
7	Co Castro	335	ene-82	X
8	HC Concepción	4.669	jun-87	VIII
9	HC Las Condes	8.761	mar-88	RM
10	Co Vic. Mackenna	2.949	ene-92	RM
11	Co Antofagasta	9.056	jul-92	II
12	HC Los Angeles	11.656	1992	VIII
13	HC Viña del Mar	7.318	ene-93	V
14	Co Cantagallo	5.870	ene-93	RM
15	HC Ñuñoa	4.838	sep-93	RM
16	HC Rancagua	10.724	nov-95	VI
17	HC Puente Alto	16.893	oct-96	RM
18	HC Quilpue	8.129	nov-96	V
19	Co La Florida	6.934	mar-97	RM
20	HC Maipú	14.044	jul-98	RM
21	HC El Trébol	14.456	nov-98	VIII
22	HC La Serena	12.545	dic-98	IV
23	Co Reñaca Alto	7.656	dic-98	V
24	HC Parque Arauco	10.777	oct-99	RM
25	HC Talca	12.522	dic-00	VII
26	HC Calama	10.797	nov-01	II
27	HC San Miguel	13.061	nov-01	RM
28	HC La Reina	13.207	abr-02	RM
29	Co Vallenar	3.621	may-02	III
30	HC Ñuble	10.935	jun-02	RM
31	HC Valdivia	8.288	sep-02	XIV
32	HC Nueva La Florida	18.461	nov-02	RM
33	HC SS Temuco	13.370	abr-03	IX
34	HC Huechuraba	11.630	nov-03	RM
35	HC Villarrica	6.530	feb-04	IX
36	HC Osorno	8.545	jul-05	X
37	HC Angol	4.214	sep-05	VIII
38	HC Chillan	8.781	dic-05	VIII
39	HC Coyhaique	5.740	ene-06	XI
40	HC Curico	8.012	mar-06	VII
41	HC Coquimbo	5.882	mar-06	IV
42	HC Plaza Oeste	14.696	may-06	RM
43	HC La Calera	8.030	jul-06	V
44	HC Pto.Montt	9.514	ago-06	X
45	HC Plaza Vespucio	11.433	sep-06	RM
46	Co Fontova	6.720	sep-06	RM
47	HC San Felipe	8.685	nov-06	V
48	HC Arica	8.747	dic-06	XV
49	HC Iquique	9.955	feb-07	I
50	HC Antofagasta	10.718	abr-07	II
51	HC Plaza Concepción	11.343	jun-07	VIII
52	HC Punta Arenas	8.192	ago-07	XII
53	HC Linares	7.040	nov-07	VII
54	HC Estación Central	10.615	sep-08	RM
55	HC El Bosque	8.560	oct-08	RM
56	HC San Bernardo	11.962	nov-08	RM
Sub Total		489.398		

N°	Store	Selling Space	Opening	Region
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
9	Imperial Temuco	4.467	May-09	IX

Sub Total Imperial	43.633
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TOTAL SODIMAC	533.031
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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
24	Tottus San Fernando	4.020	ene-09	VI
TOTAL		100.440		

4. Mall Plaza Chile

N°	Mall	Opening
1	Plaza Vespucio	Ago-90
2	Plaza Oeste	Nov-94
3	Plaza Trébol	Abr-95
4	Plaza Tobalaba	Nov-98
5	Plaza La Serena	Dic-98
6	Plaza Los Ángeles	Mar-03
7	Plaza Norte	Nov-03
8	Plaza Antofagasta	Sep-06
9	Plaza Alameda	Abr-08
10	Plaza Sur	Nov-08
11	Mall Calama	Mar-09



5. 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	11.095	1995	Lima
3	Jockey Plaza	11.054	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	5.709	oct-05	Lambayeque
10	Megaplaza	9.096	oct-06	Lima
11	Cajamarca	988	mar-07	Cajamarca
12	Ica	660	may-07	Ica
13	Trujillo Mall	5.990	nov-07	La Libertad
14	Bellavista	6.088	dic-08	Lima
15	Atocongo	7.451	dic-08	Lima
TOTAL		90.592		

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	Los Jardines	6.241	Dic-08	La Libertad
11	Bellavista	10.102	Dic-08	Lima
12	Ica Minka	3.757	Dic-08	Ica
13	Chincha	5.169	Ene-09	Ica
TOTAL		98.219		

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	3.774	Oct-08	Lima
11	Crillon	4.830	Nov-08	Lima
12	La Polvora	3.843	Nov-08	Lima
13	Puente Piedra	3.820	Dic-08	Lima
14	Los Jardines	3.778	Dic-08	La Libertad
15	Bellavista	5.802	Dic-08	Lima
16	Ica Minka	3.292	Dic-08	Ica
17	Pachacutec	3.846	Dic-08	Lima
TOTAL		85.507		

iv) Aventura Plaza Peru

N°	Mall	Opening
1	Aventura Plaza Trujillo	Nov-07
2	Aventura Plaza Bellavista	Dic-08

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



6. Argentina

i) Department Stores (net m² of floor space)

N°	Store	Selling Space	Opening	Province
1	Mendoza	5.821	mar-93	Mendoza
2	Rosario	7.938	dic-94	Santa Fé
3	Córdoba	4.889	may-97	Córdoba
4	San Juan	2.755	oct-97	San Juan
5	Unicenter	10.872	mar-99	Buenos Aires
6»8	Florida	12.674	nov-07	Buenos Aires
9	Alto Avellaneda	8.150	abr-08	Buenos Aires
10	DOT Baires	6.470	may-09	Buenos Aires

TOTAL	59.569
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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
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7. Colombia

i) Department Stores (net m² of floor space)

N°	Store	Selling Space	Opening	City
1	Santa Fe	10.317	Nov-06	Bogotá
2	Suba	8.416	Abr-07	Bogotá
3	San Diego	7.524	Nov-07	Medellín
4	Hayuelos	8.808	Abr-08	Bogotá
5	Unicentro Bogotá	5.257	Nov-08	Bogotá
6	Galerías Bogotá	6.602	Nov-08	Bogotá
7	Unicentro Cali	3.604	Nov-08	Cali
8	Chipichape Cali	3.014	Nov-08	Cali
9	Outlet Bima	2.336	Nov-08	Bogotá

TOTAL	55.878
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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
18	HC Cúcuta	11.465	Ene-09	Cúcuta
19	HC Villavicencio	8.402	Mar-09	Villavicencio

TOTAL	190.616
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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 June 30 2009

	2009	2008
ASSETS		
Current Assets	1.524.516	1.530.185
Cash	57.727	60.522
Time deposits	11.907	2.115
Marketeable securities	96.448	14.879
Trade receivables	675.426	782.062
Notes receivables	47.290	45.544
Other receivables	33.841	43.783
Notes and accounts receivable from related parties	30.080	25.404
Inventories	442.549	463.646
Recoverable taxes	57.483	45.304
Prepaid expenses	21.105	19.373
Deferred income taxes	42.790	18.894
Other current assets	7.872	8.659
Leasing agreements	0	0
Leasing assets	0	0
Property, Plant and Equipment	1.834.303	1.480.497
Land	368.933	343.355
Buildings and infrastructure	971.254	709.852
Machinery and equipment	234.714	184.871
Other property, plant and equipment	761.793	646.815
Technical reappraisal of property, plant and equipment	132	1.983
Accumulated depreciation	(502.524)	(406.379)
Other Assets	802.669	805.145
Investments in related companies	193.729	197.873
Investments in other societies	223	3.052
Goodwill	254.709	271.420
Negative goodwill	(169)	(4)
Long Term receivables	122.715	124.246
Notes and accounts receivable from relates parties	887	1.089
Deferred income taxes	0	0
Intangibles assets	263.312	237.541
Amortization	(54.552)	(45.114)
Other long-term assets	21.815	15.041
Long-term leasing	0	0
Total Assets	4.161.488	3.815.827



S.A.C.I. FALABELLA
CONSOLIDATED BALANCE SHEETS
 Expressed in Millions of Chilean Pesos as of June 30 2009

	2009	2008
LIABILITIES		
Current Liabilities	927.716	1.147.993
Short-term bank borrowings	306.636	515.692
Current portion of long-term bank borrowings	61.266	70.886
Obligations with the public (promissory notes)	73.735	17.059
Current portion of bonds payable	32.415	31.577
Current portion of long-term borrowings	0	0
Dividends to be paid	182	214
Trade account payables	340.478	372.678
Documents payable	7.615	16.559
Sundry creditors	13.585	16.163
Notes and accounts payable to related companies	3.952	26.191
Accruals	40.385	42.220
Withholdings	22.268	19.552
Income tax	10.087	5.580
Unearned income	14.549	12.733
Deferred taxes	0	0
Other short-term liabilities	564	888
Total long-term liabilities	1.391.027	978.570
Long-term bank borrowings	554.653	430.109
Bonds payable	737.109	496.731
Documents payable - long-term	25.148	0
Sundry creditors	346	211
Notes and accounts payable to related companies	0	0
Accruals	674	1.841
Deferred taxes	57.744	40.492
Other long-term liabilities	15.353	9.186
Minority interest	164.420	107.696
Shareholder's Equity	1.678.325	1.581.567
Paid-in capital	536.539	503.637
Capital revaluation reserve	(12.263)	16.113
Additional paid-in capital	2.110	3.514
Other reserves	(27.797)	(26.422)
Retained earnings	1.179.735	1.084.725
Reserve for future dividends	0	0
Accumulated profits	1.107.518	971.183
Accumulated loss	0	0
Net income (loss)	72.218	113.542
Interim dividends	0	0
Deficit from development period	0	0
Total Liabilities	4.161.488	3.815.827



S.A.C.I. FALABELLA
CONSOLIDATED INCOME STATEMENT
 Expressed in Millions of Chilean Pesos as of June 30 2009

	2009	2008
Operating Income	152.478	174.086
Gross Margin	470.352	497.445
Revenues	1.680.066	1.690.223
Cost of sales	(1.209.714)	(1.192.778)
Selling , general and administrative expenses	(317.874)	(323.359)
Non-operating Income	(54.681)	(24.163)
Financial income	6.076	4.145
Profit on investments in related companies	13.667	19.081
Other non-operating income	13.712	9.758
Loss on investment in related companies	(477)	0
Amortization of goodwill	(8.876)	(8.900)
Financial expenses	(48.565)	(31.966)
Other non-operating expenses	(7.109)	(6.353)
Price-level restatement	(13.575)	(7.653)
Exchange differentials	(9.535)	(2.274)
Profit Before Income Tax & Extraordinary Items	97.797	149.923
Income Tax	(15.595)	(25.797)
Extraordinary Items	0	0
Profit (loss) before minority interest	82.202	124.126
Minority interest	(9.986)	(10.585)
Net profit (loss)	72.216	113.541
Amortization of negative goodwill	2	1
Profit (loss) in the fiscal year	72.218	113.542



S.A.C.I. FALABELLA
CONSOLIDATED STATEMENT OF CASH FLOWS
 Expressed in Millions of Chilean Pesos as of June 30 2009

	2009	2008
Cash Flows From Operating Activities	328.805	192.751
Collection of trade receivables	3.147.837	2.031.453
Financial income received	4.346	4.259
Dividends received	5.486	22.977
Other income received	16.844	15.014
Payments to suppliers and personnel	(2.683.079)	(1.744.287)
Interest paid	(50.928)	(28.993)
Income tax payments	(21.618)	(28.268)
Other expenses	(14.560)	(16.656)
VAT and other taxes paid	(75.524)	(62.749)
Cash Flows From Financing Activities	(151.524)	(1.331)
Proceeds from issuance of common stock	13.984	32.827
Borrowings from banks	409.844	493.022
Proceeds from issuance of bonds	461.774	50.561
Borrowings from related companies	0	0
Other borrowings from related companies	0	0
Other sources of financing	6.786	7.385
Payment of dividends	(78.398)	(66.493)
Distribution of capita	0	0
Payment of loans	(747.197)	(481.370)
Payment of public liabilities incurred	(217.145)	(16.425)
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	(213)	(10.176)
Other payments	(959)	(10.661)
Cash Flows From Investing Activities	(92.954)	(193.543)
Proceeds from sales of property, plant and equipment	990	4.208
Proceeds from sales of long-term investments	0	2
Proceeds from sales of other investments	0	0
Collection of loans to related companies	0	0
Collections of other loans to related companies	1.703	8.313
Other investment income	370	3.426
Additions to property, plant and equipment	(71.440)	(202.845)
Payment of interest capitalized	(83)	(1.381)
Purchase of permanent investments	(24.035)	(4.567)
Investments in financial instruments	(97)	0
Loans to related companies	0	0
Other payments to related companies	0	0
Other payments of investments	(364)	(698)
Net Cash Flow	84.327	(2.122)
Price-level Restatements of Cash and Cash Equivalents	(5.430)	4.325
Net Increase (Decrease) in Cash and Cash Equivalents	78.898	2.203
Cash and Cash Equivalents at Beginning of Period	87.185	75.313
Cash and Cash Equivalents at End of Period	166.082	77.516



S.A.C.I. FALABELLA
CONSOLIDATED RECONCILIATION BETWEEN NET INCOME AND CASH FLOWS
 Expressed in Millions of Chilean Pesos as of June 30 2009

	2009	2008
Net Income	72.218	113.542
Income on sale of assets	(3.117)	398
Gain on sales of property, plant and equipment	625	398
Gain on sales of investments	(3.742)	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	129.830	105.522
Depreciation	43.591	37.959
Amortization of Intangibles	5.745	4.653
Write-offs and provisions	67.069	63.073
Equity in gains of unconsolidated affiliates	(13.667)	(19.081)
Equity in losses of unconsolidated affiliates	477	0
Amortization of goodwill	8.876	8.900
Amortization of negative goodwill	(2)	(1)
Price-level restatement	13.575	7.653
Exchange differentials	9.535	2.274
Other credits to income that do not represent cash flows	(14.390)	(4.637)
Other debits to income that do not represent cash flows	9.022	4.728
Changes in operating assets	206.324	(59)
Receivables	111.441	35.800
Inventories	114.279	(45.496)
Other current assets	(19.396)	9.636
Changes in operating liabilities	(86.435)	(37.236)
Trade accounts payable and notes payables relating to operating activities	(81.308)	(31.808)
Taxes to be paid	8.531	957
Net income tax	5.841	(6.665)
Other trade accounts payable relating to operating activities	(2.946)	5.364
VAT and other taxes	(16.554)	(5.084)
Income attributable to minority interest	9.986	10.585
Net cash provided by operating activities	328.805	192.751



S.A.C.I. FALABELLA
INDIVIDUAL BALANCE SHEETS
Expressed in Millions of Chilean Pesos as of June 30 2009

	2009	2008
ASSETS		
Current Assets	294.073	355.691
Cash	1.097	8.594
Time deposits	0	0
Marketeable securities	61.000	0
Trade receivables	0	2.615
Notes receivables	0	7.221
Other receivables	343	3.233
Notes and accounts receivable from related parties	216.083	209.406
Inventories	0	109.876
Recoverable taxes	270	735
Prepaid expenses	67	7.697
Deferred income taxes	5.925	2.313
Other current assets	9.289	4.002
Leasing agreements	0	0
Leasing assets	0	0
Property, Plant and Equipment	1.006	110.564
Land	0	0
Buildings and infrastructure	20	11.983
Machinery and equipment	69	16.304
Other property, plant and equipment	1.342	201.135
Technical reappraisal of property, plant and equipment	0	0
Accumulated depreciation	(425)	(118.858)
Other Assets	2.098.897	1.749.560
Investments in related companies	2.081.616	1.725.244
Investments in other societies	0	0
Goodwill	5.015	9.718
Negative goodwill	0	0
Long Term receivables	53	112
Notes and accounts receivable from relates parties	0	2.763
Deferred income taxes	0	0
Intangibles assets	522	642
Amortization	(153)	(168)
Other long-term assets	11.844	11.250
Long-term leasing	0	0
Total Assets	2.393.976	2.215.815



S.A.C.I. FALABELLA
INDIVIDUAL BALANCE SHEETS
 Expressed in Millions of Chilean Pesos as of June 30 2009

	2009	2008
LIABILITIES		
Current Liabilities	257.695	187.265
Short-term bank borrowings	0	6.372
Current portion of long-term bank borrowings	0	0
Obligations with the public (promissory notes)	66.976	0
Current portion of bonds payable	10.046	6.545
Current portion of long-term borrowings	0	0
Dividends to be paid	134	149
Trade account payables	25.481	58.235
Documents payable	0	3.501
Sundry creditors	0	1.116
Notes and accounts payable to related companies	154.096	101.270
Accruals	865	2.304
Withholdings	97	2.042
Income tax	0	0
Unearned income	0	5.731
Deferred taxes	0	0
Other short-term liabilities	0	0
Total long-term liabilities	457.956	446.983
Long-term bank borrowings	0	0
Bonds payable	448.679	421.117
Documents payable - long-term	0	0
Sundry creditors	0	0
Notes and accounts payable to related companies	8.334	19.284
Accruals	57	702
Deferred taxes	886	5.814
Other long-term liabilities	0	66
Minority interest	0	0
Shareholder's Equity	1.678.325	1.581.567
Paid-in capital	536.539	503.637
Capital revaluation reserve	(12.263)	16.113
Additional paid-in capital	2.110	3.514
Other reserves	(27.797)	(26.422)
Retained earnings	1.179.735	1.084.725
Reserve for future dividends	0	0
Accumulated profits	1.107.518	971.183
Accumulated loss	0	0
Net income (loss)	72.218	113.542
Interim dividends	0	0
Deficit from development period	0	0
Total Liabilities	2.393.976	2.215.815



S.A.C.I. FALABELLA
INDIVIDUAL INCOME STATEMENT
 Expressed in Millions of Chilean Pesos as of June 30 2009

	2009	2008
Operating Income	4.794	14.256
Gross Margin	8.962	117.225
Revenues	65.671	371.257
Cost of sales	(56.709)	(254.032)
Selling , general and administrative expenses	(4.168)	(102.969)
Non-operating Income	67.710	99.764
Financial income	2.340	84
Profit on investments in related companies	99.542	117.048
Other non-operating income	189	3.922
Loss on investment in related companies	0	(1.111)
Amortization of goodwill	(216)	(447)
Financial expenses	(15.461)	(12.333)
Other non-operating expenses	0	(1.354)
Price-level restatement	(8.081)	(6.257)
Exchange differentials	(10.603)	211
Profit Before Income Tax & Extraordinary Items	72.505	114.019
Income Tax	(287)	(477)
Extraordinary Items	0	0
Profit (loss) before minority interest	72.218	113.542
Minority interest	0	0
Net profit (loss)	72.218	113.542
Amortization of negative goodwill	0	0
Profit (loss) in the fiscal year	72.218	113.542



S.A.C.I. FALABELLA
INDIVIDUAL STATEMENT OF CASH FLOWS
 Expressed in Millions of Chilean Pesos as of June 30 2009

	2009	2008
Cash Flows From Operating Activities	85.235	154.523
Collection of trade receivables	611.751	484.959
Financial income received	0	61
Dividends received	46.800	18.619
Other income received	6.741	7.798
Payments to suppliers and personnel	(546.033)	(337.203)
Interest paid	(7.265)	(2.863)
Income tax payments	(897)	(1.456)
Other expenses	(5.033)	(6.882)
VAT and other taxes paid	(20.830)	(8.510)
Cash Flows From Financing Activities	390.441	(114.546)
Proceeds from issuance of common stock	2.544	1.325
Borrowings from banks	82	28.536
Proceeds from issuance of bonds	243.610	0
Borrowings from related companies	0	8.907
Other borrowings from related companies	702.513	20.869
Other sources of financing	0	0
Payment of dividends	(62.199)	(46.526)
Distribution of capita	0	0
Payment of loans	(2.979)	(59.886)
Payment of public liabilities incurred	(206.411)	(1.291)
Payment of related companies loans	(190.318)	(15.599)
Payment of other related companies loans	(96.401)	(41.541)
Payment of common stock issuance costs	0	0
Payment of bond issuance costs	0	(9.339)
Other payments	0	0
Cash Flows From Investing Activities	(417.707)	(53.014)
Proceeds from sales of property, plant and equipment	165	52
Proceeds from sales of long-term investments	0	0
Proceeds from sales of other investments	0	0
Collection of loans to related companies	475.252	0
Collections of other loans to related companies	20.076	318
Other investment income	56	339
Additions to property, plant and equipment	(79)	(22.109)
Payment of interest capitalized	(83)	0
Purchase of permanent investments	(106.697)	(11.678)
Investments in financial instruments	0	0
Loans to related companies	0	0
Other payments to related companies	(806.397)	(19.733)
Other payments of investments	0	(202)
Net Cash Flow	57.969	(13.036)
Price-level Restatements of Cash and Cash Equivalents	(253)	(124)
Net Increase (Decrease) in Cash and Cash Equivalents	57.717	(13.160)
Cash and Cash Equivalents at Beginning of Period	4.380	21.753
Cash and Cash Equivalents at End of Period	62.097	8.594



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

Expressed in Millions of Chilean Pesos as of June 30 2009

	2009	2008
Net Income	72.218	113.542
Income on sale of assets	0	0
Gain on sales of property, plant and equipment	0	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	(80.596)	(97.308)
Depreciation	190	8.178
Amortization of Intangibles	26	28
Write-offs and provisions	48	4.173
Equity in gains of unconsolidated affiliates	(99.542)	(117.048)
Equity in losses of unconsolidated affiliates	0	1.111
Amortization of goodwill	216	447
Amortization of negative goodwill	0	0
Price-level restatement	8.081	6.257
Exchange differentials	10.603	(211)
Other credits to income that do not represent cash flows	(219)	(368)
Other debits to income that do not represent cash flows	0	126
Changes in operating assets	638.487	66.639
Receivables	534.794	43.633
Inventories	57.138	780
Other current assets	46.554	22.227
Changes in operating liabilities	(544.873)	71.650
Trade accounts payable and notes payables relating to operating activities	(542.177)	67.596
Taxes to be paid	8.674	28
Net income tax	298	(270)
Other trade accounts payable relating to operating activities	(2.120)	3.578
VAT and other taxes	(9.548)	717
Income attributable to minority interest	0	0
Net cash provided by operating activities	85.235	154.523



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

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