



EARNINGS REPORT 3rd Quarter 2009

S.A.C.I. FALABELLA



October 2009



Earnings – Third 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 September 30, 2009 and the observed dollar exchange rate for October 1, 2009 (CH\$550.36 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\$ 864,515 (MMUS\$ 1,570.8), 0.6% more than the figure of MMCH\$859,080 (MMUS\$1,560.9) in 3Q 2008. We see a change in trend in same store sales in our operations. Of particular note is the department store business, which had a SSS growth of 7.2% compared to the same quarter in the previous year.
- A total of 29 net stores were opened in the last 12 months and 3 malls. 15 of these stores were inaugurated in Peru, 8 in Colombia, 4 in Chile and 2 in Argentina.
- SG&A expenses of the Company rose 0.7%, to 20.0% of revenues, the same percentage as in 3Q 2008. The operating efficiencies implanted by the company in past quarters have helped keep expenses to a minimum, even though sales area rose 13.9% in one year.
- The Company continued to work on controlling inventory during the quarter, reducing it from 86.0 days in 3Q 08 to 77.6 days in 3Q 09. Focus and discipline in each of the areas where sales have contracted have helped limit the risks and significantly reduce our operating costs.
- The Company has controlled the risk of the credit portfolio. A significant decrease is seen in provisions over loans in the quarter, which went from 6.4% in 2Q09 to 5.5% in 3Q09.
- The EBITDA rose 20.1 as compared to the same period last year, to MMCH\$ 99,010 (MMUS\$ 179.9), as compared to the same period last year. The EBITDA margin rose to 11.5% of revenues, 185 basis points above 3Q08. This is due mainly to the rise in the gross margin thanks to an adequate inventory management and control of portfolio delinquency.
- There was a non-operating loss of MMCH\$ 25,309 (MMUS\$ 46.0) for the quarter as compared to a loss of MMCH\$ 11,785 (MMUS\$21.4) in 3Q 2008. The difference was mainly due to Other Non-Operating Income, an increase in Financial Expenses, Exchange Differentials (per Accounting Bulletin 64), all partially offset by a positive impact from Price-Level Restatement (See discussion on page 6).
- Therefore, the consolidated net profit was MMCH\$33,113 (MMUS\$60.2), representing 3.8% of revenues in the third quarter of 2009, 13.1% above the figure for the same period in the previous year.
- The consolidated leverage was 1.20 times as of September 30, 2009 (versus 1.26 as of June 2009), while financial indebtedness was 0.82 times (0.87 in 2Q09). The net financial debt totaled 3.61 times the EBITDA (compared to 3.9 in 2Q09 and 4.02 in 3Q08).

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 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 September 30, 2009

Consolidated Income Statement January – September 2009 (MMCHS)

	9M 2009	% Revenues	9M 2008	% Revenues	Var. 09/08
Revenues	2.536.181		2.540.852		-0,2%
COGS (less)	(1.820.043)	-71,8%	(1.812.836)	-71,3%	0,4%
GROSS MARGIN	716.139	28,2%	728.016	28,7%	-1,6%
SG&A (less)	(489.326)	-19,3%	(493.631)	-19,4%	-0,9%
OPERATING INCOME	226.813	8,9%	234.385	9,2%	-3,2%
EBITDA	296.843	11,7%	293.557	11,6%	1,1%
Interest Income	8.128		6.273		29,6%
Profit on investment in related companies	22.874		28.678		-20,2%
Other non-operating income	17.974		29.644		-39,4%
Loss on investment in related companies (less)	(1.186)		(30)		n/a
Amortization of goodwill	(13.259)		(13.297)		-0,3%
Interest expenses (less)	(69.324)		(49.756)		39,3%
Other non-operating expenses (less)	(13.374)		(12.790)		4,6%
Price-level restatement	(15.329)		(27.506)		-44,3%
Exchange differentials	(16.221)		2.959		-648,2%
NON-OPERATING PROFIT (LOSS)	(79.717)	-3,1%	(35.827)	-1,4%	122,5%
PROFIT BEFORE INCOME TAX & EXTRAORD. ITEMS	147.096	5,8%	198.559	7,8%	-25,9%
INCOME TAX	(28.081)		(36.715)		-23,5%
MINORITY INTEREST	(14.049)		(19.584)		-28,3%
NET PROFIT (LOSS)	104.966		142.260		-26,2%
Amortization of negative goodwill	3		2		70,1%
PROFIT (LOSS) IN THE FISCAL YEAR	104.969	4,1%	142.261	5,6%	-26,2%
Adjusted EBITDA¹	318.531	12,6%	322.205	12,7%	-1,1%

Consolidated Income Statement July-September 2009 (MMS)

	3Q'09	% Revenues	3Q'08	% Revenues	Var. 09/08
Revenues	864.515		859.080		0,6%
COGS (less)	(616.377)	-71,3%	(626.022)	-72,9%	-1,5%
GROSS MARGIN	248.138	28,7%	233.058	27,1%	6,5%
SG&A (less)	(173.041)	-20,0%	(171.888)	-20,0%	0,7%
OPERATING INCOME	75.097	8,7%	61.170	7,1%	22,8%
EBITDA	99.010	11,5%	82.461	9,6%	20,1%
Interest Income	2.083		2.148		-3,1%
Profit on investment in related companies	9.275		9.692		-4,3%
Other non-operating income	4.330		19.934		-78,3%
Loss on investment in related companies (less)	(712)		(30)		n/a
Amortization of goodwill	(4.427)		(4.441)		-0,3%
Interest expenses (less)	(21.002)		(17.950)		17,0%
Other non-operating expenses (less)	(6.300)		(6.469)		-2,6%
Price-level restatement	(1.822)		(19.892)		-90,8%
Exchange differentials	(6.734)		5.221		-229,0%
NON-OPERATING PROFIT (LOSS)	(25.309)	-2,9%	(11.785)	-1,4%	114,8%
PROFIT BEFORE INCOME TAX & EXTRAORD. ITEMS	49.787	5,8%	49.385	5,7%	0,8%
INCOME TAX	(12.564)		(11.047)		13,7%
MINORITY INTEREST	(4.112)		(9.052)		-54,6%
NET PROFIT (LOSS)	33.111		29.286		13,1%
Amortization of negative goodwill	1		1		70,6%
PROFIT (LOSS) IN THE FISCAL YEAR	33.113	3,8%	29.287	3,4%	13,1%
Adjusted EBITDA¹	107.573	12,4%	92.124	10,7%	16,8%

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



III. Analysis of Consolidated Results

Operating Income

The consolidated operating income was 8.7% of revenues in 3Q 2009, totaling MMCH\$ 75,097 (MMUS\$ 136.5), as compared to 7.1% for the same period in 2008. The change is mainly explained by the higher gross margin earned in the different businesses. This improvement comes from the more efficient handling of inventories that has reduced the volume of special sales and from the reduction in loan provisions, which has reduced operating costs. The SG&A as a percentage of revenues was 20.0%, similar to 3Q 08. In absolute terms, SG&A rose 0.7% even though 29 stores and 3 malls were added in the last 12 months. The EBITDA margin rose 185 basis points in the quarter, to 11.5% of revenues.

Operating income totaled MMCH\$226,813 (MMUS\$412.1) for the first 9 months of the year, representing 8.9% of revenues as compared to 9.2% in 9M 08. This decrease is due mainly to the drop in operating income of Sodimac Chile and Falabella Colombia, where the Casa Estrella stores are being remodeled.

Revenues

Revenues totaled MMCH\$864,515 (MMUS\$1,570.8) in 3Q 2009 compared to MMCH\$ 859,080 (MMUS\$1,560.9) in the same period in the previous year. The variation in SSS continued to be negative, but less than the previous quarter, so a change in trend is appearing. Of note is the 7.2% SSS growth in department stores in Chile during the quarter.

Cumulative revenues totaled MMCH\$2,536,181 (MMUS\$4,608.2) as of September 30, 2009, dropping 0.2% compared to the previous year.

Gross Margin

The gross margin in 3Q 2009 was 28.7% of revenues, 157 basis points higher than the same quarter in the previous year. It totaled MMCH\$248,138 (MMUS\$450.9). This meant a 6.5% growth compared to 3Q 2008. The effort to control inventories has reduced the need for special sales and thereby significantly improved the margins. Provisions also fell in the period, which had a positive impact on the gross margin.

On a cumulative basis through September, the gross margin has fallen 42 basis points of revenues, to 28.2% of sales or MMCH\$716,139 (MMUS\$1,301.2).

Selling, General and Administrative Expenses (SGA)

During 3Q 2009, expenses rose 0.7% compared to the same period in the previous year, totalling MMCH\$173,041 (MMUS\$314.4). SG&A represented 20.0% of sales in the period, the same as in 3Q08. Despite 13.9% more sales area and total sales similar to the previous year, the company has kept SG&A to a minimum thanks to the operating efficiencies it has been implanting for the past few quarters.

On a cumulative basis through September 2009, SG&A fell 13 basis points as a percentage of sales in comparison to the previous year, totaling 19.3% of revenues, or MMCH\$489,326 (MMUS\$889.1).



Non-Operating Profit (Loss)

In 3Q 2009, there was a non-operating loss of MMCH\$ 25,309 (MMUS\$ 46.0) as compared to a loss of MMCH\$ 11,785 (MMUS\$21.4) in 3Q 2008.

The changes in the quarter can be explained as follows:

- **Other Non-Operating Income:** There was a profit of MMCH\$4,330 (MMUS\$7.9) compared to MMCH\$19,934 (MMUS\$36.2) in 3Q 08. The difference is mainly the result of an extraordinary profit of MMCH\$14,295 earned in 3Q 08 from the exchange of shares in Mall Plaza Vespucio.
- **Exchange Differential:** it caused a loss of MMCH\$6,734 (MMUS\$12.2) in 3Q 2009 compared to a gain of MMCH\$5,221 (MMUS\$9.5) in 3Q 2008. The cause was a revaluation of the currencies of Peru and Colombia in Translation Adjustments according to Bulletin 64.
- **Financial Expenses net of Financial Income** rose by MMCH\$3,118 (MMUS\$5.7), explained by the extension of duration from 2.76 years in 3Q08 to 4 years in 3Q 09 (in order to be more consistent with the cash flow structure of SACI Falabella), and the addition of Mall Calama in 2Q09.
- **Price-Level Restatement (PLR):** The PLR loss fell by MMCH\$18,069 compared to 3Q 08. This has occurred because of differences in inflation between the periods, -0.5% in 3Q 09 compared to +3.6% in 3Q 08.

IV. Main Events in the Period

3Q 2009

- The Casa Estrella stores are being remodeled in Colombia. The Company took over control of these stores in November 2008 and recently inaugurated Chipichape Cali.
- In July, CH\$2,117.78 was set as the price per share for the capital increase of 22,246,633 shares allocated to the executive stock option plan. The Company's shareholders had from August 13th to September 12th to subscribe 0.0083673080 new shares for each share registered in their name in the Shareholders Registry on Friday, August 7, 2009. 2,263,803 shares were finally subscribed out of a total of 2,495,343 shares possible, meaning a subscription rate of 90.72%.



V. Retail Indicators

1. Revenues from the Retail Businesses

Cumulative Retail Revenues 9M 2009 (MUS\$)²

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

	9M 2009	9M 2008	Var. 09/08
Department Stores - Chile	990.501	982.191	0,8%
Home Improvement - Chile	1.404.174	1.506.311	-6,8%
Supermarkets - Chile	413.542	401.520	3,0%
Retail - Peru (Saga, Sodimac & Tottus)	772.017	744.885	3,6%
Retail - Argentina (Falabella & Sodimac)	268.389	249.524	7,6%
Retail - Colombia (Falabella & Sodimac)	569.964	570.514	-0,1%

Retail Revenues 3Q 2009 (MUS\$)²

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

	3Q 2009	3Q 2008	Var. 09/08
Department Stores - Chile	335.930	310.341	8,2%
Home Improvement - Chile	442.912	459.867	-3,7%
Supermarkets - Chile	141.405	139.493	1,4%
Retail - Peru (Saga, Sodimac & Tottus)	289.864	259.558	11,7%
Retail - Argentina (Falabella & Sodimac)	103.979	94.515	10,0%
Retail - Colombia (Falabella & Sodimac)	233.656	204.601	14,2%

Same-Store Sales (SSS) Growth³

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

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

Chile Department Stores

Revenues during 3Q 2009 totaled MMCH\$ 184,882 (MMUS\$ 335.9), a real growth of 8.2% compared to the previous year, mainly caused by a nominal negative SSS of 7.2%.

Chile Home Improvement

Revenues totaled MMCH\$243,761 during 3Q 2009 (MMUS\$442.9), a drop of 3.7%. This reduction came mainly from the fall of 9.1% in nominal SSS revenues, caused by the economic slowdown in the construction and real estate sectors that has had a significant impact on the volume of sales in our formats.

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 1.4% during 3Q 2009, totaling MMCH\$ 77,823 (MMUS\$ 141.4), as compared to the same period in the previous year. This increase was mainly the product of opening 2 new stores in the last 12 months.

Peru

The revenues from the retail business in Peru (Saga Falabella, Sodimac and Tottus) grew 11.7% in Chilean pesos, to MMCH\$159,530 (MMUS\$289.9). This drop was caused mainly by the 38.1% increase in sales area coming from the 15 new stores opened in the last 12 months, albeit offset by a -7.1% SSS in local currency.⁵

Argentina

Retail revenues in 3Q09 grew 10.0% compared to 3Q08, totaling MMCH\$57,226 (MMUS\$104.0). This growth came basically from a positive, 12.8% SSS in 3Q09, 6.4 percentage points higher than in 2Q09.

Colombia

The revenues of Sodimac and Falabella Colombia rose a combined 14.2% during 3Q 2009 with respect to 3Q 2008. The total was MMCH\$128,595 (MMUS\$233.7). It was mainly the result of a 24.4% increase in sales area in the last 12 months.

2. Number of Stores and Sales Area

Sales Area	9M 2009		9M 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	512.329	64
Supermarkets - Chile	100.440	24	92.320	22
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	37.283	3
Department Stores - Colombia	55.878	9	35.835	4
Home Improvement - Colombia	190.616	19	162.316	16
Total	1.486.686	211	1.305.817	182

On a consolidated basis, no new stores were opened during the third quarter of 2009. The remodeled Chipichape Store was opened in August. On a cumulative basis through September 2009, the company had 211 stores in the 4 countries where it does business.

⁵ The SSS is calculated considering only 29 of the 45 stores now existing.

⁶ Includes Imperial stores.



Chile Department Stores

One new store was opened and 10,043 m² of net sales area were added in the 12 months since September 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

Two Sodimac stores were opened in Chile in the 12 months since September 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 sales area rose by 20,702 m². This increase includes the Homecenter stores opened in El Bosque (8,560 m², Oct-08) and 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 Calama (to 10,797 m², Oct-2008) was also enlarged.

San Francisco-Tottus Supermarkets

2 new Tottus supermarkets were opened in the 12 months since September 2008 and the net sales area rose by 8,120 m²: 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 September 2008 while the sales area rose by 75,653 m². This was due mainly to the opening of 2 SAGA Falabella stores (13,745 m² increase in sales area--the Chiclayo store measuring 356 m² was also closed), 5 Sodimac stores (increase of 31,002 m² in sales area) and 8 Tottus hypermarkets (increase of 30,906 m² in sales area).⁷

Argentina

In Argentina, 2 new stores were inaugurated in Buenos Aires in the 12 months since September 2008, one Falabella Store⁸ and one Sodimac Store. The sales area increased by 18,009 m². The new stores are: Sodimac Villa Tesei (9,198 m², Oct-08) and Falabella DOT Buenos Aires (6,470 m², May 2009).

Colombia

Colombia has gained 8 stores in the last 12 months since September 2008, 5 Falabella stores and 3 Sodimac stores. Therefore, the sales area rose by 48,343 m². The new stores are: 5 former Casa Estrella stores, HC Molinos (8,433 m², Dec-08) in Medellin, HC Cucuta (11,465 m², Jan-09) and HC Villavicencio (8,402 m², Mar-09).

⁷ Square meters of sales area in Saga and Tottus Stores were retabulated during 1Q 2009 and differ from the amounts reported in 4Q 2008.

⁸ Square meters of sales area in Falabella Stores were retabulated during 1Q 2009 and differ from the amounts reported in 4Q 2008.



3. Inventories⁹

Days in Inventory

	9M 2008	2008	1Q 2009	1S 2009	9M 2009
Department Stores - Chile	72	79	85	70	74
Home Improvement - Chile	101	98	85	78	84
Supermarkets - Chile	29	26	32	27	30
Department Stores - Peru	86	89	113	95	98
Home Improvement - Peru	126	121	113	105	112
Supermarkets - Peru	48	56	47	43	44
Retail - Argentina (Falabella & Sodimac)	153	127	123	110	127

Days in inventory of the Falabella Group fell 9.8% in 9M 2009 with respect to 9M 2008, totaling an average of 78 days among retail operations. This decrease in days in inventory is mainly the result of a strict inventory control in all subsidiaries, taking into account that it has been attained with a 13.9% increase in sales area .

Sodimac reduced its days in inventory by 17 between 9M09 and 9M08, mainly the result of managing product purchasing levels given the drop in activity in the construction and real estate sectors and of the successful start-up of the new Distribution Center, which replaces the satellite warehouses maintained by the company in Santiago.

Days in inventory also dropped significantly in international operations (6.2%). The drop took place mostly in Argentina, where days in inventory fell by 27.

⁹ Days in Inventory = Final inventories at the end of the period divided by the annualized COGS, expressed in days.



VI. Operating Income by Business Unit

1. Chile Department Stores¹⁰

Department store operating income totaled MMUS\$12.4 in 3Q 09, MMUS\$15.9 higher than the same period in the previous year. This growth basically came from the heavy drop in SG&A as compared to sales, totaling 398 basis points, which is a reflection of the continuing effort to improve operating efficiency. Also of impact was the 8.0% increase in revenues and, to a lesser extent, the 84-basis-point increase in the gross margin. Revenues rose because of the 11% average increase in average purchase brought on by the marked growth in durable goods.

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

	3Q'09	3Q'08	Var.%	9M 2009	9M 2008	Var.%
Revenues	335,9	311,2	8,0%	990,5	982,2	0,8%
Costs	-71,3%	-72,1%	6,7%	-70,8%	-69,8%	2,3%
Gross Margin	28,7%	27,9%	11,2%	29,2%	30,2%	-2,6%
SGA w/o depreciation	-23,1%	-26,3%	-5,0%	-23,5%	-25,1%	-5,5%
EBITDA	5,6%	1,6%	273,6%	5,7%	5,1%	12,0%
Depreciation + Amortization	-1,9%	-2,7%	-24,8%	-1,9%	-2,4%	-17,7%
Operating Profit (Loss)	3,7%	-1,1%	-457,6%	3,7%	2,7%	37,9%

2. Chile Home Improvement

Sodimac Chile's operating income was MMUS\$ 11.6 in 3Q09, 16.5% below the same period in the previous year. This reduction continued to be due mainly to the slowdown in the real estate and construction sectors that had an impact on Sodimac's sales to companies in those sectors. The gross margin and SG&A remained in line with 3Q08 even though sales area rose 4%. Sales by Sodimac in the retail segment improved greatly in 3Q09, taking into account that the basis for comparison from 3Q08 is very high. Finally, when measuring SG&A in SSS, Sodimac improved significantly, like in the previous quarter.

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

	3Q'09	3Q'08	Var.%	9M 2009	9M 2008	Var.%
Revenues	442,9	459,9	-3,7%	1.404,2	1.506,3	-6,8%
Costs	-73,1%	-72,8%	-3,4%	-73,6%	-73,2%	-6,3%
Gross Margin	26,9%	27,2%	-4,6%	26,4%	26,8%	-8,2%
SGA w/o depreciation	-22,5%	-22,1%	-2,1%	-21,0%	-19,8%	-0,9%
EBITDA	4,4%	5,0%	-15,4%	5,4%	7,0%	-28,4%
Depreciation + Amortization	-1,8%	-2,0%	-13,7%	-1,8%	-1,4%	19,6%
Operating Profit (Loss)	2,6%	3,0%	-16,5%	3,6%	5,7%	-40,2%

¹⁰ 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 earned an operating profit of MMUS\$0.8 in 3Q09. The EBITDA rose 3.7%, to MMUS\$5.2, or 202 basis points. The 1.4% growth in revenues was mainly the product of the 8.8% increase in sales area, albeit offset by the 2.1% drop in SSS.

Chile Supermarkets (MMUS\$ and percentage of sales)¹¹

	3Q'09	3Q'08	Var.%	9M 2009	9M 2008	Var.%
Revenues	141,4	139,5	1,4%	413,5	401,5	3,0%
Costs	-74,9%	-79,1%	-4,1%	-76,9%	-79,0%	0,3%
Gross Margin	25,1%	20,9%	22,1%	23,1%	21,0%	13,3%
SGA w/o depreciation	-21,4%	-19,2%	13,2%	-20,0%	-18,9%	8,9%
EBITDA	3,7%	1,6%	125,4%	3,1%	2,1%	52,8%
Depreciation + Amortization	-3,1%	-2,6%	20,6%	-3,3%	-2,8%	18,7%
Operating Profit (Loss)	0,6%	-0,9%	-164,3%	-0,2%	-0,7%	-77,3%

4. International Operations

During 3Q 2009, the operating income of the international businesses that are consolidated (Argentina, Peru and Colombia)¹² totaled MMUS\$8.5, meaning a growth of 10.6% compared to the same period in the previous year. So, the consolidated international businesses accounted for 6.2% of the consolidated operating income of SACI Falabella in 3Q09.

Peru¹³

Consolidated operating income from Peru amounted to MMUS\$ 14.9 in 3Q 2009, a growth of 3.9%. This growth was offset mainly by a drop of 7.1% in nominal SSS in local currency, even though this fall is less than that obtained in 2Q09. The EBITDA margin was 7.7% of sales, 28 basis points higher than the same quarter last year. The SG&A on sales rose 40 basis points, to 19.9%, in 3Q 09, principally because of the 15 new stores opened in the last 12 months. Peru began to show signs of a moderation in demand in 2009, which means that 2008 is a high basis for comparison.

Peru Consolidated (MMUS\$ and percentage of income)

	3Q'09	3Q'08	Var.%	9M 2009	9M 2008	Var.%
Revenues	298,9	268,3	11,4%	796,6	769,0	3,6%
Costs	-75,2%	-75,2%	11,3%	-74,5%	-73,7%	4,8%
Gross Margin	24,8%	24,8%	11,6%	25,5%	26,3%	0,3%
SGA w/o depreciation	-17,1%	-17,3%	9,9%	-17,5%	-17,5%	3,9%
EBITDA	7,7%	7,5%	15,5%	7,9%	8,8%	-7,0%
Depreciation + Amortization	-2,8%	-2,1%	44,4%	-2,9%	-2,0%	55,1%
Operating Profit (Loss)	5,0%	5,3%	3,9%	5,0%	6,9%	-24,5%

¹¹ Starting in January 2009, Tottus Chile accounts for marketing revenues as a drop in costs. The amounts shown for 2008 in this Release include that accounting change.

¹² Excluding Banco Falabella Peru, Sodimac Colombia and Financiera CMR Colombia.

¹³ 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.



Argentina

There was a consolidated operating loss of MMUS\$ 2.2 in Argentina in 3Q 2009. However, this was an improvement of MMUS\$5.5 compared to the same period in the previous year, mainly because SG&A have fallen 443 basis points as a percentage of sales, while the gross margin rose 102 basis points.

Argentina Consolidated (MMUS\$ and percentage of income)

	3Q'09	3Q'08	Var. %	9M 2009	9M 2008	Var. %
Revenues	109,2	103,6	5,4%	291,3	270,2	7,8%
Costs	-64,7%	-65,7%	3,8%	-66,1%	-64,7%	10,1%
Gross Margin	35,3%	34,3%	8,5%	33,9%	35,3%	3,5%
SGA w/o depreciation	-34,2%	-39,2%	-8,0%	-35,3%	-36,4%	4,6%
EBITDA	1,1%	-4,9%	-122,7%	-1,4%	-1,1%	39,3%
Depreciation + Amortization	-3,1%	-2,5%	28,7%	-2,9%	-2,3%	35,0%
Operating Profit (Loss)	-2,0%	-7,4%	-71,7%	-4,3%	-3,4%	36,4%

Colombia¹⁴

The operating loss in Colombia totaled MMUS\$-4.2 in 3Q 2009 compared to a profit of MMUS\$1.1 in 3Q 2008. SG&A rose 4.5 percentage points with respect to sales, to 37.4%, basically because of the remodelling of the Unicentro Bogota, Galerías Bogota and Unicentro Cali stores that are currently operating with less than 10% of the sales area available. The drop of 7.5 percentage points in the gross margin also had an impact, due mostly to the reduced-price sale of stocks from the Casa Estrella operation.

Colombia Consolidated (MMUS\$ and percentage of income)

	3Q'09	3Q'08	Var. %	9M 2009	9M 2008	Var. %
Revenues	46,8	35,7	31,2%	120,9	94,1	28,4%
Costs	-71,5%	-64,0%	46,6%	-70,8%	-64,7%	40,4%
Gross Margin	28,5%	36,0%	3,8%	29,2%	35,3%	6,4%
SGA w/o depreciation	-33,9%	-19,5%	127,4%	-33,4%	-31,4%	36,6%
EBITDA	-5,4%	16,5%	-142,7%	-4,2%	3,8%	-242%
Depreciation + Amortization	-3,5%	-13,4%	-65,3%	-3,4%	-3,0%	42,3%
Operating Profit (Loss)	-8,9%	3,1%	-475,2%	-7,6%	0,8%	n.a.

5. Promotora CMR Chile

Operating income of Promotora CMR Chile amounted to MMUS\$ 47.2 in 3Q 2009, increasing 21.6%. The rise was mainly due to the increase of 7.5 percentage points in the gross margin, basically the product of the 17% drop in provisions. Provisions over loans as of 3Q 09 totaled 5.5%. Also of impact was a lower financing cost because of lower rates and less loans, and the

¹⁴ 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.



6.2% reduction in SG&A as compared to 3Q08, which reflects the continuing and successful implementation of operating efficiencies by the company.

Promotora CMR (MMUS\$ and percentage of income)

	3Q'09	3Q'08	Var.%	9M 2009	9M 2008	Var.%
Revenues	116,3	118,8	-2,1%	357,8	358,1	-0,1%
Costs	-50,4%	-57,9%	-14,9%	-56,5%	-55,5%	1,7%
Gross Margin	49,6%	42,1%	15,4%	43,5%	44,5%	-2,3%
SGA w/o depreciation	-9,0%	-9,4%	-6,2%	-8,5%	-9,1%	-7,3%
Operating Profit (Loss)	40,6%	32,6%	21,6%	35,0%	35,3%	-1,0%

6. Mall Plaza Chile

Operating income of Mall Plaza Chile fell 0.2% in 3Q 09, to MMUS\$33.3. The operating margin dropped 8.1 percentage points because of an 86.5% rise in SG&A. 68.9 percentage points of that rise in SG&A came from the amortization of the fair value in the consolidation of Falabella Mall Plaza Vespucio and Mall Calama, while the remaining 17.6 percentage points correspond to the increase in SG&A because of the start-up of Mall Plaza Calama and Mall Plaza Sur after 3Q08.

Revenues totaled MMUS\$61.5, 14.8% higher than the same period in 2008. Like with the SG&A, this increase came basically from the acquisition of Mall Calama in April 2009, the opening of Mall Plaza Sur in November 2008, and, to a lesser extent, the consolidation of Mall Plaza Vespucio starting in August 2008.

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

	3Q'09	3Q'08	Var.%	9M 2009	9M 2008	Var.%
Revenues	61,5	53,6	14,8%	179,8	135,4	32,8%
Costs	-24,5%	-24,6%	14,2%	-25,5%	-25,1%	35,2%
Gross Margin	75,5%	75,4%	15,0%	74,5%	74,9%	32,0%
SGA	-21,4%	-13,2%	86,5%	-17,1%	-15,7%	45,0%
Operating Profit (Loss)	54,2%	62,2%	-0,1%	57,4%	59,3%	28,5%
EBITDA	65,0%	74,7%	-0,1%	66,8%	68,4%	29,6%

Note: Depreciation is recorded in the cost line.

7. Sociedad de Rentas Falabella (SRF)

During 3Q 2009, operating income totaled MMUS\$ 9.1, a 21.7% rise as compared to the 3Q in the previous year. They totaled MMUS\$28.9 in 9M 2009, an 18.8% increase with respect to the previous year.



VII. Credit Indicators

1. CMR Card Sales

	Cumulative Percentage of Sales using CMR ¹⁵				
	9M 2008	2008	1Q 2009	1S 2009	9M 2009
Department Stores - Chile	63,5%	62,9%	60,0%	61,8%	61,9%
Home Improvement - Chile	29,3%	29,3%	28,8%	28,7%	28,4%
Supermarkets - Chile	18,9%	19,0%	17,5%	18,9%	19,2%
Department Stores - Peru	65,1%	64,3%	59,5%	61,1%	60,7%
Home Improvement - Peru	34,5%	33,9%	30,7%	32,1%	32,4%
Supermarkets - Peru	47,8%	46,9%	40,9%	40,9%	40,9%
Department Stores - Argentina	40,0%	37,5%	35,5%	34,2%	35,9%
Department Stores - Colombia		29,2%	25,4%	28,0%	29,8%
Home Improvement - Colombia		11,6%	9,7%	10,4%	11,8%

By September 2009, there were 2.4 million active CMR cards in Chile; 910,000 in Peru; 750,000 in Argentina and 463,000 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	666.680	

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	-36.672	

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%	5,50%	

d. Cummulative 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	57.146	

Note: Write-offs are net of recoveries

¹⁵ 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. Falabella Bank 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	645.869	

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	-23.977	

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%	3,71%	

d. Cummulative 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	22.234	

Note: Write-offs are net of recoveries

4. Falabella Bank Peru

Note: Falabella Bank 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	406.721	

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	-34.028	

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%	8,37%	

d. Cummulative 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	22.685	

Note: Write-offs are net of recoveries



5. CMR Argentina

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	67.321	

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	-2.254	

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%	3,35%	

d. Cummulative 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	1021	

Note: Write-offs are net of recoveries

6. Financiera CMR Colombia

Note: Financiera 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	121.383	

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	-9.350	

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%	7,70%	

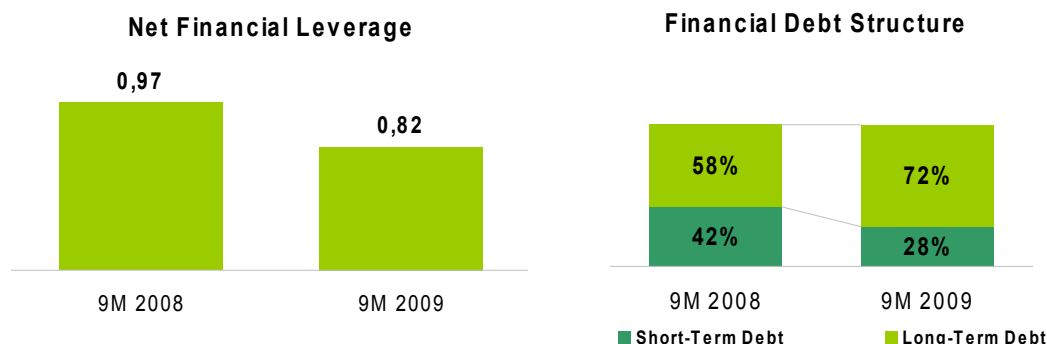
d. Cummulative Net Write-offs (Nominal MUS\$)				
	1Q	2Q	3Q	4Q
2006	0	0	94	603
2007	506	1.051	1.672	2.312
2008	1.193	2.573	2.370	4.065
2009	1.651	3.879	6.550	

Note: Write-offs are net of recoveries



VIII. Financial Structure

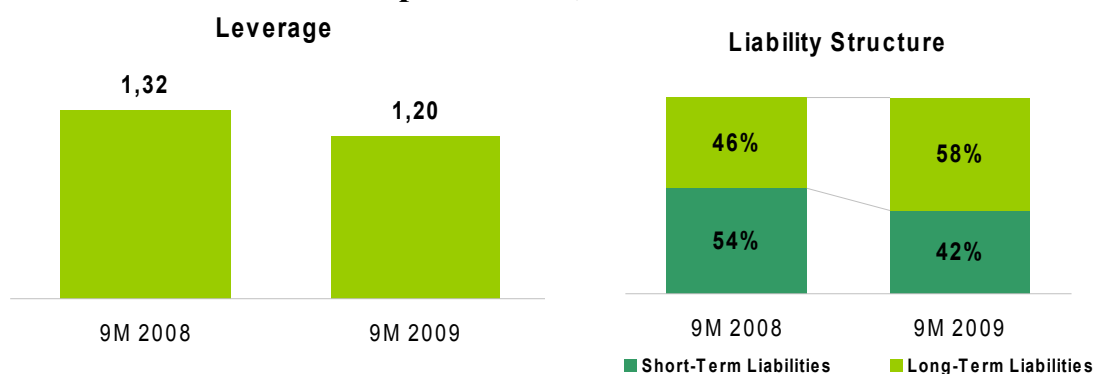
1. Financial Debt as of September 30, 2009



Note: Total Financial Debt as of September 30, 2009 was MMCH\$ 1,678,963 (MMUS\$ 3,051). It includes the CMR business debt in Chile and Argentina. As of 1Q 2007, it also includes 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 1S09 to extend the duration of the debt and obtain better rates. The duration was extended from 2.76 years in 3Q08 to 4 years in 3Q 09.

2. Total Liabilities as of September 30, 2009



Note: Liabilities totaled MMCH\$ 2,260,914 (MMUS\$ 4,108) as of September 30, 2009. This figure included the liabilities of CMR in Chile and Argentina. As of 1Q 2007, it also includes 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 Sales Area

1. Chile Department Stores (net m² of sales area)

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 sales area)

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&Tottus Hypermarkets 4. Mall Plaza Chile - Chile (net m² of sales area)

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

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

TOTAL	100.440
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5. Power Centers¹⁷

N°	Power Center	Opening
1	La Calera	jul-06
2	Megacenter	jul-07
3	El Bosque	nov-08

¹⁷ Power Centers are those locations that Falabella Group has two or more formats and locals leased to third parties.



6. Peru¹⁸

i) Department Stores (net m2 of sales area)

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 sales area)

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) Hypermarkets Tottus (net m2 of sales area)

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 Perú

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

v) Open Plaza Perú

N°	Power Center	Opening
1	San Miguel	Nov-04
2	Atocongo	Abr-06
3	Chiclayo	Dic-07
4	Canta Callao	Oct-08
5	Trujillo Jardines	Dic-08

¹⁸ The downtown Lima store includes the Lima La Merced store (just household appliances). The Chiclayo store was also closed (356 m2).



7. Argentina

i) Department Stores (net m² of sales area)

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 sales area)

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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8. Colombia

i) Department Stores (net m² of sales area)

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 sales area)

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 September 30 2009

	2009	2008
ASSETS		
Current Assets	1.504.096	1.602.553
Cash	44.477	45.892
Time deposits	11.834	3.419
Marketeable securities	82.225	4.239
Trade receivables	670.031	740.668
Notes receivables	43.052	44.767
Other receivables	35.766	53.633
Notes and accounts receivable from related parties	27.405	32.370
Inventories	476.657	531.468
Recoverable taxes	52.187	58.432
Prepaid expenses	19.372	24.362
Deferred income taxes	35.163	19.029
Other current assets	5.928	44.276
Leasing agreements	0	0
Leasing assets	0	0
Property, Plant and Equipment	1.842.255	1.660.933
Land	358.374	367.027
Buildings and infrastructure	984.002	836.548
Machinery and equipment	238.148	210.355
Other property, plant and equipment	786.135	684.859
Technical reappraisal of property, plant and equipment	131	131
Accumulated depreciation	(524.535)	(437.987)
Other Assets	803.821	801.128
Investments in related companies	203.987	184.774
Investments in other societies	172	317
Goodwill	249.192	266.263
Negative goodwill	(172)	(3)
Long Term receivables	118.950	132.595
Notes and accounts receivable from relates parties	843	1.044
Deferred income taxes	0	0
Intangibles assets	264.572	245.467
Amortization	(56.639)	(45.745)
Other long-term assets	22.916	16.415
Long-term leasing	0	0
Total Assets	4.150.172	4.064.615



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

Expressed in Millions of Chilean Pesos as of September 30 2009

	2009	2008
LIABILITIES		
Current Liabilities	951.533	1.237.221
Short-term bank borrowings	317.057	626.218
Current portion of long-term bank borrowings	60.975	50.280
Obligations with the public (promissory notes)	66.284	29.419
Current portion of bonds payable	28.049	35.044
Current portion of long-term borrowings	0	0
Dividends to be paid	192	879
Trade account payables	363.994	377.743
Documents payable	11.089	15.425
Sundry creditors	13.635	19.960
Notes and accounts payable to related companies	5.150	6.594
Accruals	42.189	38.665
Withholdings	18.074	14.148
Income tax	8.175	7.278
Unearned income	15.814	14.883
Deferred taxes	0	0
Other short-term liabilities	855	686
Total long-term liabilities	1.309.381	1.074.260
Long-term bank borrowings	468.650	514.974
Bonds payable	737.947	493.681
Documents payable - long-term	33.865	0
Sundry creditors	346	626
Notes and accounts payable to related companies	0	0
Accruals	651	1.244
Deferred taxes	52.247	47.734
Other long-term liabilities	15.675	16.002
Minority interest	170.402	143.582
Shareholder's Equity	1.718.856	1.609.552
Paid-in capital	537.092	484.085
Capital revaluation reserve	(14.946)	33.398
Additional paid-in capital	6.655	3.540
Other reserves	(16.754)	(20.666)
Retained earnings	1.206.809	1.109.195
Reserve for future dividends	0	0
Accumulated profits	1.101.840	966.934
Accumulated loss	0	0
Net income (loss)	104.969	142.261
Interim dividends	0	0
Deficit from development period	0	0
Total Liabilities	4.150.172	4.064.615



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

Expressed in Millions of Chilean Pesos as of September 30 2009

	2009	2008
Operating Income	226.813	234.385
Gross Margin	716.139	728.016
Revenues	2.536.181	2.540.852
Cost of sales	(1.820.043)	(1.812.836)
Selling , general and administrative expenses	(489.326)	(493.631)
Non-operating Income	(79.717)	(35.827)
Financial income	8.128	6.273
Profit on investments in related companies	22.874	28.678
Other non-operating income	17.974	29.644
Loss on investment in related companies	(1.186)	(30)
Amortization of goodwill	(13.259)	(13.297)
Financial expenses	(69.324)	(49.756)
Other non-operating expenses	(13.374)	(12.790)
Price-level restatement	(15.329)	(27.506)
Exchange differentials	(16.221)	2.959
Profit Before Income Tax & Extraordinary Items	147.096	198.559
Income Tax	(28.081)	(36.715)
Extraordinary Items	0	0
Profit (loss) before minority interest	119.015	161.844
Minority interest	(14.049)	(19.584)
Net profit (loss)	104.966	142.260
Amortization of negative goodwill	3	2
Profit (loss) in the fiscal year	104.969	142.261



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

	2009	2008
Cash Flows From Operating Activities	408.268	151.009
Collection of trade receivables	4.519.568	3.073.192
Financial income received	7.022	5.983
Dividends received	5.922	24.524
Other income received	17.716	17.421
Payments to suppliers and personnel	(3.906.271)	(2.771.300)
Interest paid	(78.299)	(57.782)
Income tax payments	(37.921)	(40.128)
Other expenses	(21.135)	(21.169)
VAT and other taxes paid	(98.334)	(79.732)
Cash Flows From Financing Activities	(238.851)	167.649
Proceeds from issuance of common stock	14.227	33.670
Borrowings from banks	485.131	720.451
Proceeds from issuance of bonds	642.035	74.171
Borrowings from related companies	0	0
Other borrowings from related companies	0	0
Other sources of financing	24.230	1.811
Payment of dividends	(78.407)	(66.595)
Distribution of capita	0	0
Payment of loans	(898.303)	(559.467)
Payment of public liabilities incurred	(427.151)	(34.240)
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	(596)	(1.142)
Other payments	(17)	(1.009)
Cash Flows From Investing Activities	(110.531)	(310.525)
Proceeds from sales of property, plant and equipment	981	5.593
Proceeds from sales of long-term investments	0	0
Proceeds from sales of other investments	0	0
Collection of loans to related companies	0	0
Collections of other loans to related companies	5.620	0
Other investment income	2.259	2.870
Additions to property, plant and equipment	(90.546)	(285.964)
Payment of interest capitalized	(83)	(1.902)
Purchase of permanent investments	(24.135)	(4.667)
Investments in financial instruments	(97)	(3.082)
Loans to related companies	0	0
Other payments to related companies	0	(19.894)
Other payments of investments	(4.532)	(3.478)
Net Cash Flow	58.886	8.133
Price-level Restatements of Cash and Cash Equivalents	(7.088)	(3.449)
Net Increase (Decrease) in Cash and Cash Equivalents	51.797	4.683
Cash and Cash Equivalents at Beginning of Period	86.738	83.110
Cash and Cash Equivalents at End of Period	138.536	87.794



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

	<u>2009</u>	<u>2008</u>
Net Income	104.969	142.261
Income on sale of assets	454	(192)
Gain on sales of property, plant and equipment	454	(192)
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	175.709	155.686
Depreciation	66.979	57.208
Amortization of Intangibles	7.602	4.481
Write-offs and provisions	90.542	96.870
Equity in gains of unconsolidated affiliates	(22.874)	(28.678)
Equity in losses of unconsolidated affiliates	1.186	30
Amortization of goodwill	13.259	13.297
Amortization of negative goodwill	(3)	(2)
Price-level restatement	15.329	27.506
Exchange differentials	16.221	(2.959)
Other credits to income that do not represent cash flows	(18.716)	(14.371)
Other debits to income that do not represent cash flows	6.183	2.304
Changes in operating assets	194.016	(96.345)
Receivables	135.799	60.212
Inventories	79.216	(118.138)
Other current assets	(20.999)	(38.419)
Changes in operating liabilities	(80.928)	(69.986)
Trade accounts payable and notes payables relating to operating activities	(55.521)	(35.972)
Taxes to be paid	3.873	(14.168)
Net income tax	(8.684)	1.946
Other trade accounts payable relating to operating activities	(4.972)	(3.205)
VAT and other taxes	(15.624)	(18.587)
Income attributable to minority interest	14.049	19.584
Net cash provided by operating activities	408.268	151.009



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

Expressed in Millions of Chilean Pesos as of September 30 2009

	2009	2008
ASSETS		
Current Assets	250.734	298.702
Cash	479	3.152
Time deposits	0	0
Marketeable securities	27.000	0
Trade receivables	0	2.106
Notes receivables	0	5.131
Other receivables	350	1.660
Notes and accounts receivable from related parties	212.008	174.126
Inventories	0	101.115
Recoverable taxes	282	1.628
Prepaid expenses	35	3.561
Deferred income taxes	4.941	2.533
Other current assets	5.639	3.691
Leasing agreements	0	0
Leasing assets	0	0
Property, Plant and Equipment	1.003	109.173
Land	0	0
Buildings and infrastructure	20	12.051
Machinery and equipment	69	16.126
Other property, plant and equipment	1.354	201.588
Technical reappraisal of property, plant and equipment	0	0
Accumulated depreciation	(440)	(120.592)
Other Assets	2.131.584	1.781.925
Investments in related companies	2.115.249	1.759.658
Investments in other societies	0	0
Goodwill	4.882	9.453
Negative goodwill	0	0
Long Term receivables	52	112
Notes and accounts receivable from relates parties	0	2.784
Deferred income taxes	0	0
Intangibles assets	520	524
Amortization	(211)	(118)
Other long-term assets	11.091	9.512
Long-term leasing	0	0
Total Assets	2.383.321	2.189.801



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

Expressed in Millions of Chilean Pesos as of September 30 2009

	2009	2008
LIABILITIES		
Current Liabilities	211.298	135.395
Short-term bank borrowings	0	12.720
Current portion of long-term bank borrowings	0	0
Obligations with the public (promissory notes)	57.038	19.657
Current portion of bonds payable	8.150	7.335
Current portion of long-term borrowings	0	0
Dividends to be paid	141	139
Trade account payables	10.868	559
Documents payable	0	0
Sundry creditors	0	16
Notes and accounts payable to related companies	134.180	86.396
Accruals	859	1.591
Withholdings	63	125
Income tax	0	0
Unearned income	0	6.857
Deferred taxes	0	0
Other short-term liabilities	0	0
Total long-term liabilities	453.166	444.853
Long-term bank borrowings	0	0
Bonds payable	446.693	419.465
Documents payable - long-term	0	0
Sundry creditors	0	0
Notes and accounts payable to related companies	4.861	19.262
Accruals	57	103
Deferred taxes	1.555	5.957
Other long-term liabilities	0	66
Minority interest	0	0
Shareholder's Equity	1.718.856	1.609.552
Paid-in capital	537.092	484.085
Capital revaluation reserve	(14.946)	33.398
Additional paid-in capital	6.655	3.540
Other reserves	(16.754)	(20.666)
Retained earnings	1.206.809	1.109.195
Reserve for future dividends	0	0
Accumulated profits	1.101.840	966.934
Accumulated loss	0	0
Net income (loss)	104.969	142.261
Interim dividends	0	0
Deficit from development period	0	0
Total Liabilities	2.383.321	2.189.801



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

Expressed in Millions of Chilean Pesos as of September 30 2009

	2009	2008
Operating Income	6.946	19.275
Gross Margin	13.150	164.880
Revenues	69.612	541.105
Cost of sales	(56.462)	(376.226)
Selling , general and administrative expenses	(6.203)	(145.604)
Non-operating Income	98.440	123.546
Financial income	2.721	281
Profit on investments in related companies	133.513	152.662
Other non-operating income	237	4.731
Loss on investment in related companies	0	(1.040)
Amortization of goodwill	(323)	(668)
Financial expenses	(22.550)	(18.814)
Other non-operating expenses	0	(4.784)
Price-level restatement	(8.463)	(11.227)
Exchange differentials	(6.695)	2.405
Profit Before Income Tax & Extraordinary Items	105.387	142.822
Income Tax	(418)	(560)
Extraordinary Items	0	0
Profit (loss) before minority interest	104.969	142.261
Minority interest	0	0
Net profit (loss)	104.969	142.261
Amortization of negative goodwill	0	0
Profit (loss) in the fiscal year	104.969	142.261



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

	2009	2008
Cash Flows From Operating Activities	85.884	146.890
Collection of trade receivables	629.512	717.455
Financial income received	0	198
Dividends received	46.800	18.662
Other income received	10.784	8.841
Payments to suppliers and personnel	(551.179)	(558.360)
Interest paid	(18.651)	(15.640)
Income tax payments	(4.895)	(1.807)
Other expenses	(5.521)	(10.832)
VAT and other taxes paid	(20.964)	(11.626)
Cash Flows From Financing Activities	507.248	(64.143)
Proceeds from issuance of common stock	7.653	1.386
Borrowings from banks	82	41.465
Proceeds from issuance of bonds	243.610	19.637
Borrowings from related companies	0	8.927
Other borrowings from related companies	820.059	36.009
Other sources of financing	0	0
Payment of dividends	(62.199)	(46.628)
Distribution of capita	0	0
Payment of loans	(2.979)	(65.669)
Payment of public liabilities incurred	(212.102)	(1.301)
Payment of related companies loans	(190.476)	(15.678)
Payment of other related companies loans	(96.401)	(41.844)
Payment of common stock issuance costs	0	0
Payment of bond issuance costs	0	(421)
Other payments	0	(25)
Cash Flows From Investing Activities	(569.753)	(100.908)
Proceeds from sales of property, plant and equipment	165	478
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	685
Additions to property, plant and equipment	(94)	(27.943)
Payment of interest capitalized	(83)	0
Purchase of permanent investments	(121.081)	(41.050)
Investments in financial instruments	0	0
Loans to related companies	0	0
Other payments to related companies	(943.981)	(33.193)
Other payments of investments	(64)	(203)
Net Cash Flow	23.379	(18.161)
Price-level Restatements of Cash and Cash Equivalents	(158)	(346)
Net Increase (Decrease) in Cash and Cash Equivalents	23.221	(18.506)
Cash and Cash Equivalents at Beginning of Period	4.258	21.658
Cash and Cash Equivalents at End of Period	27.479	3.152



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

Expressed in Millions of Chilean Pesos as of September 30 2009

	2009	2008
Net Income	104.969	142.261
Income on sale of assets	0	35
Gain on sales of property, plant and equipment	0	35
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	(117.962)	(124.416)
Depreciation	205	12.822
Amortization of Intangibles	85	39
Write-offs and provisions	48	7.174
Equity in gains of unconsolidated affiliates	(133.513)	(152.662)
Equity in losses of unconsolidated affiliates	0	1.040
Amortization of goodwill	323	668
Amortization of negative goodwill	0	0
Price-level restatement	8.463	11.227
Exchange differentials	6.695	(2.405)
Other credits to income that do not represent cash flows	(268)	(2.508)
Other debits to income that do not represent cash flows	0	189
Changes in operating assets	653.767	86.250
Receivables	548.307	68.539
Inventories	57.138	(6.881)
Other current assets	48.321	24.591
Changes in operating liabilities	(554.890)	42.760
Trade accounts payable and notes payables relating to operating activities	(545.241)	45.691
Taxes to be paid	2.548	1.098
Net income tax	(3.569)	(571)
Other trade accounts payable relating to operating activities	962	(2.781)
VAT and other taxes	(9.589)	(677)
Income attributable to minority interest	0	0
Net cash provided by operating activities	85.884	146.890



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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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