



EARNINGS REPORT 2nd. quarter 2011

SACI FALABELLA



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Notas:

- All dollar figures are calculated using the observed exchange rate of CLP\$ 468.15 /US\$1 on July 1, 2011.
- Symbols for quarters are: 1Q, 2Q, 3Q and 4Q, as applicable.
- Other symbols for periods in the year are: 1H for first semester and 9M for the first 9 months of the year.
- Currency symbols: CLP\$: Chilean pesos; US\$: U.S. dollars; M: Million.

I. Executive Summary

Second quarter's net profit grew 13.7% compared to the second quarter of 2010, reaching MCLP\$108,648 (MUSD\$232). This increase is explained not only by a higher operational result due to the solid levels of consumption seen in the region, but also by a better non-operational profit due to higher results in associates. On a cumulative basis, as of June, the net profit grew 25.8% and totaled MCLP\$204,333 (MUS\$436).

The EBITDA of 2Q11 grew 8.8% compared to the same period of 2010, to MCLP\$196,905 (MUS\$421). The EBITDA margin of the quarter was 14.6% of the total revenues.

During the quarter revenues grew 13.3% compared to the same period of last year, reaching MCLP\$1,249,164 (MUS\$2,668). This is a result of the high levels of consumption due to the good economic moment that the region is passing through, and because of the higher number of stores compared to last year. On a cumulative basis, as of June, revenues grew 17.6% compared to the same period in 2010.

Selling, General and Administrative Expenses over revenues increased 0.8 percentage points. First, this increase is due to higher advertisement costs and store operations, in line with the focus of improving the customer service. Second, stores opened at the end of 2010 are still in a consolidation process with expenses over the average. Third, external factors like the oil price have affected the operation increasing transportation expenses. Lastly, there is a high comparative basis, since last year, the earthquake in Chile and the economic recovery in the entire region supported important level of revenues with a lower number of stores. On a cumulative basis, as of June, SG&A expenses over revenues grew 0.4 percentage points.

Total loans reached MUS\$4,972 as of June 30th. This amount represents an increase of 28.4% over total loans as of second quarter of 2010. Consolidated provisions over total gross loans reached 3.65% at the end of the quarter, 0.4 percentage points less than 2010. The loans' average duration and the average loan per client remain stable.

At the end of the quarter the consolidated leverage was 1.25 times. Excluding the liabilities of the bank businesses in the group, the consolidated leverage was 0.81 times. The net financial leverage was 0.49 times.

During the second quarter the following stores were opened: A Falabella store in Calama, Chile, a Sodimac store in Rancagua, Chile and in Monteria, Colombia. A supermarket was opened in Penta, Peru and Mall Plaza Calama was remodeled in Chile. These changes meant a net increase of 15,083 m² of sales area and 13.000 m² of leasable area, considering the new Falabella store.

In July, Tottus and Sodimac's were doors opened to customers in Jockey Plaza, Lima, adding more than 15,000m².

II. Consolidated Income Statement as of June 30, 2011

Consolidated Income Statement 2Q 2011 (MCLP\$)

	2Q 2010	% Rev.	2Q 2011	% Rev.	Var. 11/10
Revenues of Non-Banking Operations	1.040.532		1.168.445		12,3%
Revenues of Banking Operations	62.127		80.719		29,9%
TOTAL REVENUES	1.102.660		1.249.164		13,3%
COGS of Non-Banking operations	(694.746)	-66,8%	(772.436)	-66,1%	11,2%
COST of Banking Operations	(21.582)	-34,7%	(34.845)	-43,2%	61,5%
GROSS PROFIT	386.332	35,0%	441.883	35,4%	14,4%
SG&A Expenses	(234.299)	-21,2%	(275.288)	-22,0%	17,5%
Operational Income	152.034	13,8%	166.595	13,3%	9,6%
Depreciación+Amortización	28.885	2,6%	30.310	2,4%	4,9%
EBITDA	180.919	16,4%	196.905	15,8%	8,8%
Other Non- Operating Income / (Expenses)	(477)		2.388		
Net Financial Income / (Cost)	(23.502)		(24.459)		4,1%
Profit / (loss) in Associates	(83)		3.517		
Exchange rate differences	(1.320)		(1.069)		-19,0%
Non- Operating Profit	(25.383)	-2,3%	(19.623)	-1,6%	-22,7%
Profit Before Tax Expenses	126.651	11,5%	146.972	11,8%	16,0%
Income Tax	(22.800)		(29.028)		27,3%
Minority Interest	(8.326)		(9.296)		11,6%
NET PROFIT / (LOSS)	95.525	8,7%	108.648	8,7%	13,7%

Consolidated Income Statement 1S 2011 (MCLP\$)

	6M 2010	% Rev.	6M 2011	% Rev.	Var 11/10
Revenues of Non-Banking Operations	1.935.376		2.266.905		17,1%
Revenues of Banking Operations	120.086		150.886		25,6%
TOTAL REVENUES	2.055.462		2.417.791		17,6%
COGS of Non-Banking operations	(1.301.525)	-67%	(1.512.115)	-67%	16,2%
COST of Banking Operations	(43.931)	-37%	(61.230)	-41%	39,4%
GROSS PROFIT	710.006	34,5%	844.446	34,9%	18,9%
SG&A Expenses	(450.463)	-21,9%	(538.159)	-22,3%	19,5%
Operational Income	259.543	12,6%	306.287	12,7%	18,0%
Depreciación+Amortización	55.469	2,7%	60.981	2,5%	9,9%
EBITDA	315.012	15,3%	367.268	15,2%	16,6%
Other Non- Operating Income / (Expenses)	(9.941)		6.357		
Net Financial Income / (Cost)	(36.809)		(44.190)		20,1%
Profit / (loss) in Associates	4.740		6.938		46,4%
Exchange rate differences	(2.263)		18		
Non- Operating Profit	(44.274)	-2,2%	(30.877)	-1,3%	-30,3%
Profit Before Tax Expenses	215.269	10,5%	275.410	11,4%	27,9%
Income Tax	(38.406)		(53.707)		39,8%
Minority Interest	(14.490)		(17.371)		19,9%
NET PROFIT / (LOSS)	162.373	7,9%	204.333	8,5%	25,8%

1. Operating Income

Operating Income grew 9.6% in the second quarter compared to the same period in 2010, and totaled MCLP\$166,595 (MUS\$356). The operational result increased due to a higher income obtained during the period, especially due to the growth of income from the credit business', which continues with a stable level of provisions. The operating margin of the quarter decreased 0.5 percentage points as of the same period in last year, reaching a 13.3% of the consolidated total income due to higher SG&A expenses. The cumulative consolidated operating result totaled MCLP\$306,287 (MUS\$654) as of June, which means a growth of 18.0% compared with the cumulative operating results in June 2010.

Consolidated revenues rose 13.3% in the second quarter compared to the same period in the previous year. The main reason is the solid consumption levels still observed in the region. In some businesses, the opening of new stores also contributed to the revenues growth, is the case of Tottus Peru and Falabella Colombia. In the financial business, the growth of CMR Chile and CMR Argentina is because of a higher amount of total loans.

The consolidated gross margin grew 0.4 percentage points in the second quarter compared to the same period in 2010. In the credit business so much in Chile as Argentina, the major income obtained caused a higher contribution of these businesses to the consolidated gross margin. In the bank businesses, the lower margin was offset with a higher income. For department stores in Chile, weather factors have generated lower sale of season items in comparison to 2010, which meant higher discounts affecting margins.

The selling, general and administrative expenses over income increased 0.8 percentage points during the quarter. This higher level of expenses over income of the quarter is due to higher expenses in advertising and customer service in stores. The higher number of existing stores, in comparison to same period of 2010, also contributed to the growth of expenses. Although the stores opened at the end of 2010 have achieved results in line with the company expectations, they have still not reached a mature level of sales to reach the expenses over Income percentage of mature stores. External factors, like the oil price that has raised transportation costs, have also contributed to the increase.

2. Non-Operating Income

The non operating income reached a loss of MCLP\$19,623 (MMUS\$42) which represents an improvement of 22.7% compared with the loss obtained during the second quarter of 2010. This decrease of non-operating loss is due to higher results in associates and higher non-operating income compared to the second quarter of 2010.

The higher non-operating income is due to insurance payments from the 2010 earthquake in Chile. On a cumulative basis, the difference is higher because during the first quarter of last year provisions were made in order to cover possible damages. This contributed negatively to the result, a situation different from this year since insurance payments have been received.

The higher profits of related companies come from Sodimac Colombia and Aventura Plaza that increased more than 3 times the results obtained during the second quarter of 2010.

III. Main Events in the Period

- In June, the Falabella Group announced its guideline of Social Responsibility. The event had the presence of the executive world director of the Global Reporting Initiative (GRI) – Mr. Ernst Ligteringen.
- Sodimac released its Sustainability Report corresponding to 2010, qualified as A+ GRI Checked for second year in a row.
- In June a new Falabella store was opened in Mall Plaza Calama. The store counts with a larger sales area than the former store in the city and in addition is equipped with solar panels and wind mills that allow it to be more efficient in the use of energy. This store has a sales area of 7,413 m².
- The new store was part of the Mall Plaza Calama remodeling that meant a growth of 20% of its leaseable area. This remodeling was opened during June.
- In June a Sodimac Constructor store was opened in Rancagua, which replaced an old store in the same city, adding 1,100 m² to the company and improving the commercial offering for our customers.
- In Monteria, Colombia, a Sodimac store was opened with a selling area of 8,916 m².
- In Peru, Tottus Penta was opened with 800 m² of sales surface.
- At the end of July, Banco Falabella Colombia was officially launched.
- Also at the end of July, Sodimac and Tottus Jockey Plaza were opened in Lima, adding more than 15.000m².

IV. Retail Indicators

1. Retail Business Revenues

Retail Revenues 2Q 2011¹ (MUS\$)
 (Nominal Chilean Pesos, converted to USD at the observed exchange rate for July 1, 2011)

RETAIL REVENUES	2Q 2010	2Q 2011	Var. 11/10	Var. Local Currency
CHILE				
Department Stores	505	538	6,4%	6,4%
Home Improvement	666	714	7,1%	7,1%
Supermarkets	177	202	13,9%	13,9%
PERU				
Department Stores	182	199	9,6%	20,2%
Home Improvement	65	92	40,9%	44,6%
Supermarkets	120	153	28,1%	47,7%
ARGENTINA				
Department Stores	125	136	8,8%	30,3%
Home Improvement	34	39	16,5%	39,3%
COLOMBIA				
Department Stores	76	109	42,3%	47,5%
Home Improvement	199	250	25,8%	51,9%

Retail Revenues 1S 2011 (MUS\$)
 (Nominal Chilean Pesos, converted to USD at the observed exchange rate for July 1, 2011)

RETAIL REVENUES	1S 2010	1S 2011	Var. 11/10	Var. Local Currency ²
CHILE				
Department Stores	885	1.001	13,1%	13,1%
Home Improvement	1.309	1.481	13,2%	13,2%
Supermarkets	345	393	14,0%	14,0%
PERU				
Department Stores	319	356	11,8%	19,6%
Home Improvement	135	187	38,6%	44,1%
Supermarkets	234	300	28,4%	37,0%
ARGENTINA				
Department Stores	212	250	17,9%	37,2%
Home Improvement	62	82	32,5%	53,5%
COLOMBIA				
Department Stores	134	196	46,7%	49,4%
Home Improvement	409	501	22,7%	35,7%

¹ Financial businesses incomes are not included. The variation of sales in local currency provides insulation against the effects of the exchange rate in the translation of the financial statements.

Same Store Sales (SSS) Growth
 (All growth is nominal and has been calculated in the local currency of each country)

SAME STORE SALES	2010				2011		2010	2011
	1Q	2Q	3Q	4Q	1Q	2Q	1S	1S
Chile								
Department Stores Chile	5,6%	26,2%	15,6%	18,9%	20,9%	3,7%	16,5%	11,0%
Home Improvement Chile	8,1%	21,9%	20,5%	16,3%	18,3%	7,0%	14,7%	12,6%
Supermarkets Chile	4,9%	6,6%	7,9%	5,1%	4,8%	3,7%	5,7%	4,3%
Perú								
Department Stores Peru	11,5%	17,6%	8,6%	9,1%	9,1%	6,7%	14,9%	7,7%
Home Improvement Peru	6,1%	11,7%	15,3%	14,7%	19,5%	19,3%	8,8%	19,4%
Supermarkets Peru	12,5%	18,1%	13,7%	13,2%	9,0%	10,6%	15,3%	9,8%
Argentina								
Department Stores Argentina	36,6%	38,5%	27,7%	27,4%	33,2%	14,6%	37,7%	21,7%
Home Improvement Argentina	31,6%	40,0%	41,0%	36,7%	25,6%	19,7%	35,7%	22,4%
Colombia								
Tiendas por Depto. - Colombia	13,5%	4,0%	3,1%	14,7%	17,8%	32,7%	8,4%	25,9%
Mejoramiento del Hogar - Colombia	14,7%	10,3%	15,6%	17,8%	18,1%	19,2%	14,8%	18,6%

2. Number of Stores and Net Selling Area²

Sales Area	June 2010		June 2011	
	Area (m ²)	Stores	Area (m ²)	Stores
Chile				
Department Stores - Chile	232.561	35	236.218	36
Expos Falabella Retail - Chile	5.576	4	5.444	4
Home Improvement - Chile	553.183	67	557.313	67
Supermarkets - Chile	111.910	27	118.283	31
Peru				
Department Stores - Peru	90.023	14	111.078	17
Home Improvement - Peru	98.219	13	122.675	16
Supermarkets - Peru	90.807	19	108.397	25
Argentina				
Department Stores - Argentina	59.569	10	66.337	11
Home Improvement - Argentina	56.332	5	65.185	6
Colombia				
Department Stores - Colombia	62.342	10	73.530	11
Home Improvement - Colombia	191.464	19	221.163	21
Total Stores	1.551.986	223	1.685.622	245
Mall Plaza - Chile	830.000	11	867.944	11
Soc. Rentas Falabella - Chile	126.898	5	134.076	6
Aventura Plaza - Perú	109.077	2	111.000	3
Malls Perú - Perú	117.300	5	191.378	7
Total Real Estate	1.183.274	23	1.359.285	27

² Sociedad de Rentas includes Power Centers (locations where there are two Falabella formats as anchor stores, in addition to minor stores) and Shopping Centers (locations with three or more Falabella format as anchor stores, in addition to minor stores) different from those operated by Mall Plaza.

V. Credit Indicators

1. Loans and Provisions

CREDIT INFORMATION			4Q'09	1Q'10	2Q'10	3Q'10	4Q'10	1Q'11	2Q'11
CHILE CMR (Card)	TOTAL LOANS	MM CLP	741.850	731.807	767.896	798.759	888.209	894.885	922.479
	PROVISIONS	MM CLP	-32.532	-34.542	-30.815	-28.543	-29.074	-31.174	-32.880
	WRITE-OFFS	MM CLP	72.396	13.740	26.773	36.933	43.382	7.919	14.048
	OPEN ACCOUNTS (with balance)	#	1.886.215	1.823.003	1.810.306	1.803.626	1.885.750	1.917.602	1.986.343
	AVERAGE DURATION	DAYS	176	163	159	155	160	163	153
	AVERAGE LOAN	CLP	393.301	401.429	424.180	442.863	471.011	467.303	464.411
PERU BANK (Card)	TOTAL LOANS	MM SOL	1.194,0	1.226,5	1.346,4	1.327,7	1.441,8	1.503,1	1.731,5
	PROVISIONS	MM SOL	-90,0	-81,7	-86,9	-83,1	-83,8	-92,7	-104,3
	WRITE-OFFS	MM SOL	99,7	19,1	38,3	57,8	73,6	22,2	33,8
	OPEN ACCOUNTS (with balance)	#	736.788	749.454	766.401	776.374	817.253	831.003	860.095
	AVERAGE DURATION	DAYS	107	121	127	125	111	119	124
	AVERAGE LOAN	SOL	1.621	1.637	1.757	1.711	1.764	1.809	2.013
COLOMBIA BANK (Card)	TOTAL LOANS	MM COP	283.721	299.014	334.900	395.559	519.854	610.638	702.197
	PROVISIONS	MM COP	-17.137	-15.922	-16.739	-18.434	-21.418	-25.218	-32.691
	WRITE-OFFS	MM COP	17.426	3.745	6.547	8.267	10.201	2.179	3.823
	OPEN ACCOUNTS (with balance)	#	315.022	330.900	363.435	422.291	500.043	529.413	573.869
	AVERAGE DURATION	DAYS	183	152	150	161	161	150	150
	AVERAGE LOAN	COP	900.639	903.638	921.486	936.698	1.039.619	1.093.327	1.084.975
CMR ARGENTINA (Card)	TOTAL LOANS	MM ARG	333,9	370,8	521,4	575,3	752,0	793,2	899,8
	PROVISIONS	MM ARG	-4,34	-4,43	-4,69	-4,18	-4,77	-6,33	-7,87
	WRITE-OFFS	MM ARG	7,12	2,05	3,05	3,81	4,53	0,94	2,83
	OPEN ACCOUNTS (with balance)	#	351.499	353.806	382.901	398.524	444.642	449.849	471.559
	AVERAGE DURATION	DAYS	149	111	165	164	184	175	184
	AVERAGE LOAN	ARG	950	1.048	1.362	1.444	1.691	1.763	1.908
CHILE BANK	TOTAL LOANS	MM CLP	627.941	646.328	668.997	709.442	729.971	774.286	824.033
	PROVISIONS	MM CLP	-22.599	-23.271	-22.921	-22.571	-21.094	-22.900	-24.805
	WRITE-OFFS	MM CLP	30.822	7.943	13.456	18.038	22.358	4.683	9.555

2. CMR Card Sales

Percentage of Sales using CMR³

	1Q 2010	1H 2010	9M 2010	2010	1Q 2011	1H 2011
Department Stores Chile	58,7%	60,2%	61,1%	60,9%	58,4%	60,4%
Home Improvement Chile	27,5%	30,5%	29,6%	30,0%	30,6%	31,5%
Supermarkets Chile	17,7%	19,1%	20,1%	20,2%	19,1%	19,7%
Retail Perú (Saga, Sodimac & Tottus)	47,7%	49,7%	49,0%	48,9%	45,9%	48,3%
Retail Argentina (Falabella & Sodimac)	39,5%	43,1%	41,6%	41,6%	43,8%	40,3%
Retail Colombia (Falabella & Sodimac)	21,1%	23,3%	24,7%	27,3%	30,9%	30,1%

³ Percentage of sales using CMR : sales using the card as compared to all sales in each business.

VI. Operating Results by Business Unit

1. Chile

During the quarter and also in a cumulative basis, the group experienced a significant growth in Revenues in all the business units in Chile. In department stores the growth has been driven mainly by the consumption levels seen in the quarter, even considering the high comparison base of 2010, when the revenues were positively affected for the post earthquake demand and the soccer world cup. This year, and due to some weather factors, (warm winter with rains appearing just in the last weeks of July) there were lower season sales compared with the same quarter in 2010. This fact has made more discount promotions necessary, affecting the gross margin.

In Home improvement, the recovery of the real estate sector due to a more dynamic economic environment, have caused higher sales in construction items than furniture. This change in the mix of sales allows the company to continue growing in revenues, but has a negative effect in the gross margin affecting EBITDA and Operating margins too.

Supermarkets revenues have grown 13.9% in Chile, mainly due to the expansion in selling space. The new stores have been one of the reasons of the increase in SG&A expenses as a percentage of revenues.

CMR shows higher revenues compared with the second quarter of 2010 because of the growth of the Loan book. This growth can be explained by the strong levels of consumption in Chile that have driven higher sales, while the penetration of the card in Falabella, Sodimac and Tottus has remained without significant variations. Higher funding costs and higher costs related with the opening of new accounts have affected the gross margin.

The real estate business has experienced higher revenues caused by strong consumption that has been possible to see during the quarter. On one hand, the structure of payments that Mall Plaza uses with its tenants consists in the higher amount between a fixed payment and a percentage of the net sales of each store. On the other hand, an important portion of Mall Plaza's costs come from depreciation, which is stable. This structure pushes the margins of the company in good economic periods and stabilizes them in lower consumption periods.

In cumulative terms, all the businesses in Chile present good levels of growth in revenues because of strong consumption during the first half of the year. While the consumption growth rates have become more moderate in last months, it's important to mention that the second quarter has a tougher comparable base not only in terms of revenues, but also in margins.



Operating Results 2Q 2011 (MUS\$)

MUS\$ & % Revenues	Department Stores			Home Improvement			Supermarkets		
	2Q '10	2Q '11	Var %	2Q '10	2Q '11	Var %	2Q '10	2Q '11	Var %
Revenues	505,4	537,8	6,4%	666,5	713,9	7,1%	177,4	202,0	13,9%
Gross Margin	31,4%	29,9%	1,2%	29,0%	28,6%	5,8%	23,4%	24,3%	18,3%
SGA w/o Depreciation	-20,2%	-21,8%	14,7%	-18,5%	-19,2%	11,1%	-19,4%	-21,6%	27,1%
EBITDA	11,2%	8,1%	-23,3%	10,5%	9,4%	-3,6%	4,0%	2,6%	-24,7%
Operating Profit (Loss)	9,7%	6,7%	-26,9%	8,7%	7,9%	-3,3%	1,4%	-0,1%	n/a

MUS\$ & % Revenues	Promotora CMR			Plaza S.A.		
	2Q '10	2Q '11	Var %	2Q '10	2Q '11	Var %
Revenues	132,5	168,8	27,4%	61,2	70,6	15,5%
Gross Margin	56,0%	53,5%	21,6%	84,7%	85,3%	16,3%
SGA w/o Depreciation	-9,2%	-8,8%	22,2%	-11,8%	-11,1%	8,9%
EBITDA	46,8%	44,7%	21,5%	85,7%	85,7%	15,4%
Operating Profit (Loss)	46,8%	44,7%	21,5%	72,9%	74,2%	17,5%

Operating Results 1S 2011 (MUS\$)

MUS\$ & % Revenues	Department Stores			Home Improvement			Supermarkets		
	1S '10	1S '11	Var %	1S '10	1S '11	Var %	1S '10	1S '11	Var %
Revenues	885,5	1.001,2	13,1%	1.308,9	1.481,2	13,2%	344,7	393,1	14,0%
Gross Margin	30,6%	29,3%	8,2%	28,4%	28,3%	12,8%	23,9%	23,9%	14,3%
SGA w/o Depreciation	-21,6%	-22,4%	17,1%	-18,4%	-18,5%	13,6%	-19,5%	-21,3%	24,7%
EBITDA	9,0%	6,9%	-13,1%	10,0%	9,8%	11,3%	4,4%	2,6%	-32,3%
Operating Profit (Loss)	7,3%	5,4%	-15,9%	8,3%	8,2%	11,3%	1,5%	-0,2%	n/a

MUS\$ & % Revenues	Promotora CMR			Plaza S.A.		
	1S '10	1S '11	Var %	1S '10	1S '11	Var %
Revenues	264,0	321,5	21,7%	118,2	137,6	16,5%
Gross Margin	51,3%	52,1%	23,6%	83,3%	84,1%	17,7%
SGA w/o Depreciation	-9,2%	-9,1%	19,8%	-13,0%	-11,6%	3,4%
EBITDA	42,1%	43,1%	24,4%	83,5%	84,1%	17,4%
Operating Profit (Loss)	42,1%	43,1%	24,4%	70,3%	72,6%	20,3%

2. International Operations

Like the first quarter, the positive outlook for the region and the consumers' confidence have made possible to show growth in revenues in all Falabella's international operations. The non-typical weather conditions (dry and warm winter in Argentina and warm winter in Peru) have driven more promotional sales. During the quarter, the growth of sales has been driven mainly by the growth of selling space compared with the same quarter in 2010. This effect could be seen especially in Peru.

The maturity of international operations has boosted the growth of these businesses and this growth has helped to the dilution of a higher portion of fixed expenses and has implied higher operating margins.

The penetration of Falabella's private credit card in the group's stores has been stable, producing a growth of the loan book. Compared with the same quarter of 2010, higher funding costs and higher costs related with the opening of new accounts, have affected the gross margin in financial businesses.

Operating Results 2Q 2011 (US\$)⁴

MUS\$ & % Revenues	Peru			Argentina			Colombia		
	2Q '10	2Q '11	Var %	2Q '10	2Q '11	Var %	2Q '10	2Q '11	Var %
Revenues	428,1	508,7	18,8%	163,1	189,9	16,4%	94,1	141,1	50,0%
Gross Margin	34,6%	32,1%	10,3%	37,3%	42,5%	32,4%	37,3%	38,0%	52,7%
SGA w/o Depreciation	-19,5%	-19,3%	17,7%	-31,4%	-34,9%	29,4%	-32,2%	-30,8%	43,5%
EBITDA	15,1%	12,8%	0,7%	5,9%	7,6%	48,3%	5,2%	7,3%	110,3%
Operating Profit (Loss)	12,5%	10,2%	-3,2%	4,3%	5,5%	51,7%	1,1%	4,5%	544,1%

Operating Results 1S 2011 (MUS\$)

MUS\$ & % Revenues	Peru			Argentina			Colombia		
	1S '10	1S '11	Var %	1S '10	1S '11	Var %	1S '10	1S '11	Var %
Revenues	807,6	968,3	19,9%	286,7	360,8	25,8%	169,0	255,6	51,2%
Gross Margin	33,2%	31,2%	12,9%	36,6%	41,3%	42,0%	38,3%	37,9%	49,3%
SGA w/o Depreciation	-19,8%	-19,4%	17,2%	-32,9%	-35,0%	33,6%	-32,9%	-31,2%	43,6%
EBITDA	13,3%	11,8%	6,5%	3,6%	6,3%	118,5%	5,4%	6,6%	83,8%
Operating Profit (Loss)	10,6%	9,1%	2,2%	1,8%	4,3%	209,6%	1,2%	3,6%	337,5%

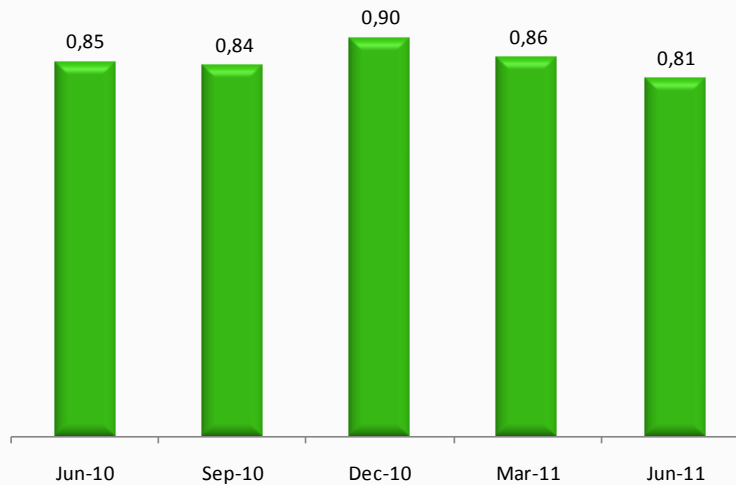
⁴ Operational Results include the financial businesses in Peru, Colombia, and Argentina.

VII. Financial Structure

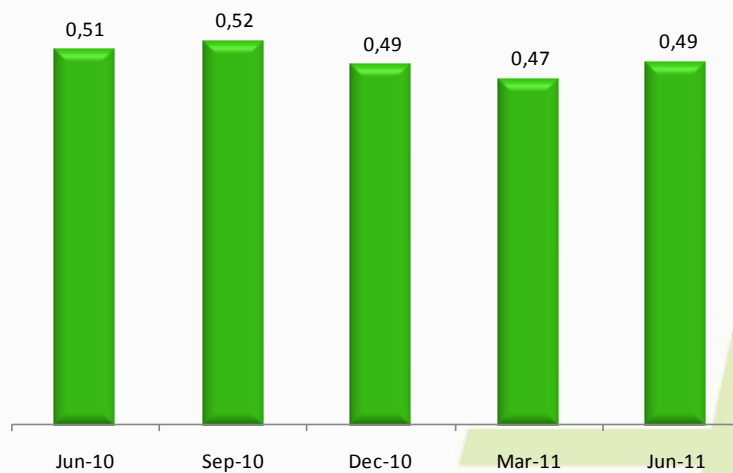
Liabilities as of June 30, 2011 totaled MCLP\$ 3,880,283 (MMUS\$ 8,229). This means that there was a leverage of 1.25 times.

Total liabilities include Banco Falabella Chile, Banco Falabella Peru and CMR Colombia. Excluding these companies engaged in the banking business the consolidated Leverage is 0.81 times. Excluding these same companies, net financial Leverage as of June 30 was 0.49 times.

Leverage



Net Financial Leverage



VIII. Financial Statement of S.A.C.I. Falabella according to IFRS

	01-Jan-11 30-Jun-11	01-Jan-10 30-Jun-10
INCOME STATEMENTS	M\$	M\$
NON-BANKING OPERATIONS		
Revenues	2.266.905.092	1.935.376.343
Costs of sales	(1.512.115.282)	(1.301.525.323)
GROSS MARGIN	754.789.810	633.851.020
SG&A expenses	(479.618.095)	(401.810.684)
Financial Income	3.596.640	8.563.231
Profit / (loss) from Associates	6.783.567	4.553.092
Other Non-Operating income / (Expenses)	6.357.180	(9.941.035)
Finance costs	(47.786.671)	(45.372.697)
Exchange rate differences	17.737	(2.263.477)
OTHER GAIN / (LOSS)	(510.649.642)	(446.271.570)
PROFIT BEFORE INCOME TAXES	244.140.168	187.579.450
Income taxes	(45.541.467)	(31.233.541)
NET PROFIT OF CONTINUING OPERATIONS	198.598.701	156.345.909
NET PROFIT OF NON-BANKING OPERATIONS	198.598.701	156.345.909
BANKING OPERATIONS		
Revenues from interest	117.714.129	90.600.099
Interest Expenses	(37.083.928)	(22.288.501)
NET PROFIT OF CONTINUING OPERATIONS	80.630.201	68.311.598
Revenues of Commissions	30.029.283	26.117.932
Cost of commissions	(5.079.353)	(2.584.899)
NET REVENUES OF COMMISSIONS	24.949.930	23.533.033
Net income of financial Operations	5.355.571	3.330.938
Gain / (Loss) from exchange Operations	(1.254.536)	(306.326)
Other Operational Income	3.142.665	3.368.075
Provisions	(23.167.374)	(22.081.936)
NET OPERATIONAL REVENUES	89.656.457	76.155.382
Salaries and personnel expenses	(23.518.910)	(19.058.490)
SG&A Expenses	(28.939.060)	(22.802.088)
Depreciation and Amortization	(3.778.457)	(4.372.761)
Other Operational Expenses	(2.304.555)	(2.419.040)
OPERATIONAL EXPENSES	(58.540.982)	(48.652.379)
NET INCOME OF BANKING OPERATIONS	31.115.475	27.503.003
Income taxes	154.320	186.525
NET INCOME BANKING OPERATIONS BEFORE TAXES	31.269.795	27.689.528
Income taxes	(8.165.400)	(7.172.778)
NET INCOME/(LOSS) OF BANKING OPERATIONS	23.104.395	20.516.750
NET INCOME/ (LOSS) BEFORE MINORITY INTERESTS	221.703.096	176.862.659
Net Profit attributable to non-controlling interest	(17.370.508)	(14.489.993)
NET INCOME / (LOSS)	204.332.588	162.372.666

Balance Sheet	SACI Falabella Jun-2011 M\$	SACI Falabella Dec-2010 M\$
Assets		
Non-Banking Operations		
Current Assets		
Cash and cash equivalents	90.978.945	114.739.404
Current trade and other receivables	998.907.966	980.604.331
Inventories	607.394.234	575.557.091
Other current Assets	74.342.788	81.095.376
Total Current Assets	1.771.623.933	1.751.996.202
Non- Current Assets		
Non-current trade and other receivables	208.226.273	210.163.277
Goodwill	260.273.967	260.273.967
Property, Plant and Equipment & Investment properties	2.820.804.824	2.764.637.552
Other non- current assets	309.884.809	280.519.328
Total non - current assets	3.599.189.873	3.515.594.124
Total Non Banking Operations Assets	5.370.813.806	5.267.590.326
Assets from Banking Operations	1.625.689.494	1.315.887.131
Total Assets of Banking operations	1.625.689.494	1.315.887.131
Total Assets	6.996.503.300	6.583.477.457

Balance Sheet	SACI Falabella Jun-2011 M\$	SACI Falabella Dec-2010 M\$
Net Equity and Total Liabilities		
Non Banking Operations		
Current Liabilities		
Other current financial liabilities	394.939.094	399.996.823
Current trade and other current accounts payable	639.657.530	832.300.247
Total Current Liabilities	1.034.596.624	1.232.297.070
Non- Current Liabilities		
Other non-current financial liabilities	1.236.643.229	1.136.568.195
Other Non-current Liabilities	256.952.887	247.340.200
Total Non-current Liabilities	1.493.596.116	1.383.908.395
Total Non banking Operations Liabilities	2.528.192.740	2.616.205.465
Liabilities from banking Operations	1.352.090.723	1.071.541.812
Total liabilities from banking Operations	1.352.090.723	1.071.541.812
Total Liabilities	3.880.283.463	3.687.747.277
Total Shareholder's Equity	3.116.219.837	2.895.730.180
Total Shareholder's Equity	3.116.219.837	2.895.730.180
Total Shareholder's Equity and Total Liabilities	6.996.503.300	6.583.477.457



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