



EARNINGS REPORT 3rd. quarter 2011
SACI FALABELLA



Table of Contents

I. Executive Summary	2
II. Consolidated Income Statement as of September 30, 2011	3
III. Main Events in the Period	5
IV. Retail Indicators	6
V. Credit Indicators	8
VI. Operating Business Results by Unit	9
VII. Financial Structure	12
VIII. Financial Statement of S.A.C.I. Falabella according to IFRS	13

Notas:

- All dollar figures are calculated using the observed exchange rate of CLP\$ 521.76 /US\$ on October 3, 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

The cumulative EBITDA as of September 2011 grew 11.6 % compared to the same period of last year, reaching MCLP\$522,711 (MUS\$1,002). In the 3rd quarter the EBITDA was MCLP\$155,443 (MUS\$298), which meant a growth of 1.4% and a quarterly EBITDA margin of 12.6%.

Cumulative revenues as of September 2011, present a growth of 17.4% compared to the first 9 months of 2010. During the quarter, revenues reached MCLP\$1,231,856 (MUS\$2,360), with a 17.1% growth when compared to the third quarter of 2010. This growth is mainly due to the high levels of consumption that still exist in the region, resulting in high levels of Same Store Sales throughout. This growth can be also attributed to the stores built between both periods.

The cumulative net profit as of September grew 15.0% over last year results, reaching MCLP\$280,875 (MUS\$538). Third quarter's net profit reached MCLP\$76,542 (MUS\$147), which compares with MCLP\$88,882 (MUS\$157) from last year. This is due to a lower operational result, a consequence of weather factors, and a devaluation of the Chilean peso of 11.5% during the quarter.

The percentage of Sales and Administrative Expenses over cumulative revenues as of September grew by 0.4 percentage points. During the third quarter, this percentage grew 0.5 points, mainly driven by higher wages and transportation expenses, where the latter was directly affected by a rise in fuel prices. Additionally, marketing expenses over total revenues are higher than last year. On the other side, the international operations presented a decrease in the percentage of expenses over wages.

Consolidated loans' book reached MUS\$4,731¹, as of September 2011, due to a controlled organic growth, added to a correct risk administration, which resulted in provisions over consolidated loans of 3.94%..

At the end of the quarter consolidated leverage remained at 1.25 times. Excluding the liabilities of the bank businesses in the group, the consolidated leverage was 0.80 times, while the net financial leverage was 0.51 times.

During the 3rd quarter, the following stores opened in Peru, Tottus Jockey plaza, Tottus Chiclayo Belaunde and Sodimac Jockey Plaza. In Colombia, Sodimac opened Neiva store and in Chile, Tottus opened its second store in the 6th Region, located in the city of Machali.

Prohumana Foundation and *Que Pasa* magazine, acknowledged Falabella, Sodimac and Mall Plaza among the 15 companies with the highest standards in Social Responsibility in Chile.

¹ Consolidated Loans converted to USD at the observed exchange rate for October 3, 2011

II. Consolidated Income Statement as of September 30, 2011

Consolidated Income Statement 3Q 2011 (MCLP\$)

	3Q 2010	% Rev.	3Q 2011	% Rev.	Var. 11/10
Revenues of Non-Banking Operations	988.876		1.147.951		16,1%
Revenues of Banking Operations	63.543		83.905		32,0%
TOTAL REVENUES	1.052.418		1.231.856		17,1%
COGS of Non-Banking operations	(660.087)	-66,8%	(779.544)	-67,9%	18,1%
COST of Banking Operations	(22.596)	-35,6%	(37.175)	-44,3%	64,5%
GROSS PROFIT	369.735	35,1%	415.136	33,7%	12,3%
SG&A Expenses	(242.736)	-23,1%	(290.417)	-23,6%	19,6%
Operational Income	126.999	12,1%	124.719	10,1%	-1,8%
Depreciation + Amortization	26.266	2,5%	30.724	2,5%	17,0%
EBITDA	153.265	14,6%	155.443	12,6%	1,4%
Other Non- Operating Income / (Expenses)	(827)		6.175		
Net Financial Income / (Cost)	(23.146)		(21.654)		-6,4%
Profit / (loss) in Subsidiaries	2.145		4.049		88,8%
Exchange rate differences	3.664		(7.558)		
Non- Operating Profit	(18.164)	-1,7%	(18.988)	-1,5%	4,5%
Profit Before Tax Expenses	108.835	10,3%	105.731	8,6%	-2,9%
Income Tax	(17.236)		(20.314)		17,9%
Minority Interest	(9.718)		(8.875)		-8,7%
NET PROFIT / (LOSS)	81.882	7,8%	76.542	6,2%	-6,5%

Consolidated Income Statement 9M 2011 (MCLP\$)

	9M 2010	% Rev.	9M 2011	% Rev.	Var 11/10
Revenues of Non-Banking Operations	2.924.252		3.414.856		16,8%
Revenues of Banking Operations	183.629		234.791		27,9%
TOTAL REVENUES	3.107.881		3.649.647		17,4%
COGS of Non-Banking operations	(1.961.612)	-67%	(2.291.660)	-67%	16,8%
COST of Banking Operations	(66.527)	-36%	(98.405)	-42%	47,9%
GROSS PROFIT	1.079.742	34,7%	1.259.583	34,5%	16,7%
SG&A Expenses	(693.199)	-22,3%	(828.576)	-22,7%	19,5%
Operational Income	386.542	12,4%	431.006	11,8%	11,5%
Depreciation + Amortization	81.735	2,6%	91.705	2,5%	12,2%
EBITDA	468.277	15,1%	522.711	14,3%	11,6%
Other Non- Operating Income / (Expenses)	(10.768)		12.532		
Net Financial Income / (Cost)	(59.955)		(65.844)		9,8%
Profit / (loss) in Subsidiaries	6.884		10.987		59,6%
Exchange rate differences	1.401		(7.540)		
Non- Operating Profit	(62.438)	-2,0%	(49.865)	-1,4%	-20,1%
Profit Before Tax Expenses	324.104	10,4%	381.141	10,4%	17,6%
Income Tax	(55.642)		(74.021)		33,0%
Minority Interest	(24.208)		(26.246)		8,4%
NET PROFIT / (LOSS)	244.254	7,9%	280.875	7,7%	15,0%

1. Operating Income

As of September 2011, the cumulative operational result reached MCLP\$431,006 (MUS\$826), 11.5% greater than the same period in 2010. The consolidated operational result of the 3rd quarter decreased 1.8%, totaling MCLP\$124,719 (MUS\$239). The lower operational result can be mostly attributed to the gross margin. The operational margin of the quarter was 10.1% over total revenues, decreasing 2.0 percentage points when compared with the 3rd quarter of 2010.

During the quarter, it was possible to continue observing high levels of consumption in the region, which combined with the openings of new stores between both periods, propelled consolidated revenues growth by 17.1% when compared to the 3rd quarter of 2010. Financial businesses continued presenting growth in their revenues as a result of the higher level of loans during the quarter. Given steady consumption levels, Same Store Sales have presented growth rates as well.

Third quarter's gross margin decreased by 1.4 percentage points, when compared to the same period of last year. On one hand department stores' margins were affected by weather factors during July and August, generating higher promotional sales, in order with the inventory policies of the company. On the other hand, credit and banking businesses presented a lower gross margin because of higher provisions expenses and higher funding costs.

Cumulative sales and administration expenses over total revenues increased by 0.4 percentage points when compared to the same period of 2010. During the 3rd quarter, this percentage increased by 0.5 percentage points, mostly as the consequence of higher marketing expenses and wages do to in-store service improvements. Also, the rise in fuel prices directly affected logistic expenses due to transportation costs. The expenses growth in Chile has been offset by the decrease of expenses over revenues from international operations, that had improvements in efficiency and economies of scale during the quarter.

2. Non-Operating Income

The quarter's non-operating income reached a loss of MCLP\$18,988 (MUS\$36), which represents a growth of the loss of 4.5% when compared to the loss obtained during the 3rd quarter of 2010. The higher operational loss is due to the depreciation of Chilean Peso against the US Dollar.

During the 3rd quarter, approximately MCLP\$6.000 in deferred payments, connected with February 2010's earthquake damages, are present in other non-operating income. As in the previous quarter, the growth of profit in affiliates is mainly due to the increased profits of Sodimac Colombia and Aventura Plaza.

III. Main Events in the Period

- Banco Falabella Colombia was officially launched during July 2011..
- In July, Sodimac (6,625 m²) and Tottus (8,442 m²) stores were opened at Jockey Plaza in Lima.
- In July, Sodimac Colombia opened Neiva store with a total of 6.003 m².
- In September, Tottus Chile opened a 2nd store in the sixth Region in the city of Machali. This store has a sales area of 2,545m².
- In September Tottus Peru opened Belaunde in Chiclayo, which adds a sales area of 1,136m² of sales.
- Grupo Falabella launched their Corporate Social Responsibility guidelines. Among the different guest invited to the event was Mr. Ernst Ligteringen, Chief executive of the Global Reporting Initiative (GRI).
- Sodimac, Mall Plaza and Financial Retail released their 2010 Sustainability Reports.
- A number of subsidiaries were recommended by the Prohumana Foundation ranking for their commitment and high Corporate Social Responsibility standards. They ranked as follows, Falabella Retail (5), Sodimac (6) and Mall Plaza (15).
- On September 1st, Banco Falabella Peru placed 2 local bonds for 35 million Soles and 60 million Soles with a maturity of 3 and 5 years respectively.
- On September 7th, Banco Falabella Colombia placed 2 local bonds for 70 million Colombian pesos and 80 million Colombian pesos with a maturity of 2 and 5 years respectively.

RECENT EVENTS

- In October, Banco Falabella Chile placed 2 local bonds in UF for 1.5 million and 1 million with a maturity of 21 and 7 years respectively.
- On October 27th Santa Julia Power Center in Reñaca, Chile, will be opened. This opening will include a Tottus supermarket and Sodimac home improvement store.

IV. Retail Indicators

1. Retail Business Revenues

Retail Revenues 3Q 2011² (MUS\$)
 (Nominal Chilean Pesos, converted to USD at the observed exchange rate for October 3, 2011)

RETAIL REVENUES	3Q 2010	3Q 2011	Var. 11/10	Var. Local Currency
CHILE				
Department Stores	404	447	10,8%	10,8%
Home Improvement	557	612	9,9%	9,9%
Supermarkets	163	189	15,8%	15,8%
PERU				
Department Stores	149	170	14,0%	22,6%
Home Improvement	65	92	41,6%	46,8%
Supermarkets	115	145	26,3%	35,6%
ARGENTINA				
Department Stores	98	120	22,6%	46,2%
Home Improvement	35	43	22,9%	46,2%
COLOMBIA				
Department Stores	77	96	24,0%	27,3%
Home Improvement	216	268	24,0%	28,4%

Ingresos Retail 9M 2011 (MMUS\$)³
 (Nominal Chilean Pesos, converted to USD at the observed exchange rate for October 3, 2011)

RETAIL REVENUES	9M 2010	9M 2011	Var. 11/10	Var. Local Currency ³
CHILE				
Department Stores	1.198	1.346	12,3%	12,3%
Home Improvement	1.731	1.941	12,1%	12,1%
Supermarkets	475	542	14,0%	14,0%
PERU				
Department Stores	435	489	12,6%	20,6%
Home Improvement	186	260	39,7%	45,0%
Supermarkets	325	414	27,6%	36,5%
ARGENTINA				
Department Stores	288	344	19,5%	40,3%
Home Improvement	90	116	28,8%	50,7%
COLOMBIA				
Department Stores	197	272	37,8%	41,1%
Home Improvement	583	718	23,2%	26,8%

² Financial businesses incomes are not included.

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

2. Number of Stores and Net Selling Area⁴

Sales Area	September 2010		September 2011	
	Area (m ²)	Stores	Area (m ²)	Stores
Chile				
Department Stores - Chile	232.561	35	236.218	36
Expos Falabella Retail - Chile	5.444	4	5.044	4
Home Improvement - Chile	553.183	67	557.313	67
Supermarkets - Chile	106.540	27	120.828	32
Peru				
Department Stores - Peru	99.023	15	111.078	17
Home Improvement - Peru	105.466	14	131.117	17
Supermarkets - Peru	96.392	21	116.158	27
Argentina				
Department Stores - Argentina	59.569	10	66.337	11
Home Improvement - Argentina	56.332	5	65.185	6
Colombia				
Department Stores - Colombia	70.660	11	73.530	11
Home Improvement - Colombia	191.464	19	227.166	22
Total Stores	1.576.633	228	1.709.973	250
Mall Plaza - Chile	830.000	11	877.000	11
Soc. Rentas Falabella - Chile	126.898	5	134.076	6
Aventura Plaza - Perú	111.000	2	169.000	3
Malls Perú - Perú	117.300	5	191.378	7
Total Real Estate	1.185.198	23	1.371.454	27

⁴ 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 Provisions⁵

CREDIT INDICATORS			4Q'09	1Q'10	2Q'10	3Q'10	4Q'10	1Q'11	2Q'11	3Q'11
CHILE CMR (Card)	TOTAL LOANS	M CLP	741.850	731.807	767.896	798.759	888.209	894.885	922.479	942.105
	PROVISIONS	M CLP	-32.532	-34.542	-30.815	-28.543	-29.074	-31.174	-32.880	-36.476
	WRITE-OFFS	M CLP	72.396	13.740	26.773	36.933	43.382	7.919	14.048	21.765
	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	2.008.651
	AVERAGE PAYMENT PERIOD	DIAS	176	163	159	155	160	163	153	150
	AVERAGE LOAN	CLP	393.301	401.429	424.180	442.863	471.011	466.669	464.411	469.024
PERU BANK	TOTAL LOANS	M SOL	1.194	1.227	1.346	1.328	1.442	1.503	1.732	1.734
	PROVISIONS	M SOL	-90	-82	-87	-83	-84	-93	-104	-111
	WRITE-OFFS	M SOL	99,7	19,1	38,3	57,8	73,6	22,2	33,8	47,4
	OPEN ACCOUNTS (with balance)	#	736.788	749.454	766.401	776.374	817.253	831.003	860.095	871.702
	CONSUMER FINANCE LOANS	M SOL	1.159	1.190	1.312	1.295	1.409	1.469	1.696	1.719
	AVERAGE PAYMENT PERIOD	DIAS	107	121	127	125	111	119	124	127
	AVERAGE LOAN	SOL	1.573	1.588	1.711	1.668	1.724	1.768	1.971	1.972
COLOMBIA BANK	TOTAL LOANS	M COP	283.721	299.014	334.900	395.559	519.854	610.638	702.197	804.858
	PROVISIONS	M COP	-17.137	-15.922	-16.739	-18.434	-21.418	-25.218	-32.691	-41.511
	WRITE-OFFS	M COP	17.426	3.745	6.547	8.267	10.201	2.179	3.823	5.534
	OPEN ACCOUNTS (with balance)	#	315.022	330.900	363.435	422.291	500.043	529.413	573.869	614.237
	CONSUMER FINANCE LOANS	M COP	283.721	299.014	334.900	395.559	519.854	610.638	702.197	804.858
	AVERAGE PAYMENT PERIOD	DIAS	183	169	161	160	174	172	168	168
	AVERAGE LOAN	COP	900.638	903.639	921.485	936.698	1.039.619	1.153.425	1.223.619	1.310.338
ARGENTINA CMR (Card)	TOTAL LOANS	M ARG	333,9	370,8	521,4	575,3	752,0	793,2	899,8	915,9
	PROVISIONS	M ARG	-4,34	-4,43	-4,69	-4,18	-4,77	-6,33	-7,87	-10,79
	WRITE-OFFS	M ARG	7,12	2,05	3,05	3,81	4,53	0,94	2,83	5,81
	OPEN ACCOUNTS (with balance)	#	351.499	353.806	382.901	398.524	444.642	449.849	471.559	491.858
	AVERAGE PAYMENT PERIOD	DIAS	149	111	165	164	184	175	184	176
	AVERAGE LOAN	ARG	950	1.048	1.362	1.444	1.691	1.763	1.908	1.862
CHILE BANK	TOTAL LOANS	M CLP	627.941	646.328	668.997	709.442	729.971	774.286	824.033	868.724
	PROVISIONS	M CLP	-22.599	-23.271	-22.921	-22.571	-21.094	-22.900	-24.805	-27.173
	WRITE-OFFS	M CLP	30.822	7.943	13.456	18.038	22.358	4.683	9.555	15.312

2. CMR Card Sales⁶

	1Q 2010	1S 2010	9M 2010	2010	1Q 2011	1S 2011	9M 2010
Department Stores - Chile	58,7%	60,2%	61,1%	60,9%	58,4%	60,4%	60,0%
Home Improvement - Chile	27,5%	30,5%	29,6%	30,0%	30,6%	31,5%	31,5%
Supermarkets - Chile	17,7%	19,1%	20,1%	20,2%	19,1%	19,7%	20,4%
Retail - Perú (Saga, Sodimac, Tottus)	47,7%	49,7%	49,0%	48,9%	45,9%	48,5%	48,1%
Retail - Argentina (Falabella & Sodimac)	39,5%	43,1%	41,6%	41,6%	38,7%	40,3%	39,9%
Retail- Colombia (Falabella y Sodimac)	21,1%	23,3%	24,7%	27,3%	30,9%	30,1%	29,3%

⁵ a. Chile total loans consider remaining stock of automotive loans. This new loans are part of Banco Falabella loans.

b. Banco Falabella Chile includes additional provisions suggested by SBIF and are presented as liabilities.

c. Average length and debt are calculated over consumption loans and not over total loans like last quarter, the change is retroactive in order to show comparable figures.

⁶ Percentage of sales using CMR : sales using the card as compared to all sales in each business.

VI. Operating Business Results by Unit

1. Chile

Not only in the third quarter, but also on a cumulative basis, revenues grew in every business. This growth can be explained by the high consumption levels, similar to previous quarters. During July, delayed winter conditions affected the department stores' gross margin, due to higher promotional sales.

In home improvement, due to an increase in fuel prices, higher transportation costs increased the percentage of expenses over total revenues. Additionally, this rise in expenses affected the period's EBITDA margin. On a cumulative basis as of September 2011, revenues grew 12.1% and EBITDA grew 3.0%.

Supermarket's revenues grew 15.8% during last quarter, this performance is mostly a consequence of a higher sales surface. But, the higher number of stores has an additional pressure over sales and administrative expenses. This increase is partially overcome by higher revenues due to the maturity levels of recent openings, thus the increase in sales and administrative expenses is less than 1 percentage point.

CMR card penetration as a payment method in the companies' subsidiaries has maintained in historic levels, so growth in revenues during 2010 and 2011 have a direct impact in the growth of CMR Chile loans. On one hand higher revenues are a direct consequence of higher loans, on the other hand funding and provisions costs have a negative effect in gross margin, both in the third quarter and cumulative as of September 2011.

A growth in revenues is observed in the real estate business, in line with the consumption activity of the quarter. During this period, a higher payroll base has been necessary in order to execute existing projects.

Operating Results 3Q 2011 (MUS\$)

MUS\$ & % Revenues	Department Stores			Home Improvement			Supermarkets		
	3Q '10	3Q '11	Var %	3Q '10	3Q '11	Var %	3Q '10	3Q '11	Var %
Revenues	403,5	447,3	10,8%	556,9	611,8	9,9%	163,4	189,1	15,8%
Gross Margin	28,9%	26,2%	0,4%	27,6%	27,2%	8,0%	21,9%	22,9%	21,0%
SGA w/o Depreciation	-23,3%	-23,9%	13,5%	-20,8%	-21,8%	15,1%	-20,1%	-20,9%	20,1%
EBITDA	5,6%	2,3%	-54,1%	6,8%	5,4%	-13,7%	1,7%	2,0%	31,1%
Operating Profit (Loss)	4,0%	0,9%	-76,5%	5,7%	4,0%	-22,6%	-1,0%	-0,7%	n/a

MUS\$ & % Revenues	Promotora CMR			Plaza S.A.		
	3Q '10	3Q '11	Var %	3Q '10	3Q '11	Var %
Revenues	124,1	146,2	17,8%	58,2	66,1	13,7%
Gross Margin	58,0%	47,6%	-3,3%	85,9%	85,5%	13,2%
SGA w/o Depreciation	-9,6%	-8,6%	4,8%	-9,6%	-13,1%	54,0%
EBITDA	48,3%	39,0%	-4,9%	88,7%	84,0%	7,6%
Operating Profit (Loss)	48,3%	39,0%	-4,9%	76,3%	72,5%	8,0%

Operating Results 9M 2011 (MUS\$)

MUS\$ & % Revenues	Department Stores			Home Improvement			Supermarkets		
	9M '10	9M '11	Var %	9M '10	9M '11	Var %	9M '10	9M '11	Var %
Revenues	1.198,0	1.345,7	12,3%	1.731,3	1.940,8	12,1%	475,3	541,9	14,0%
Gross Margin	30,1%	28,3%	5,6%	28,2%	27,9%	11,3%	23,1%	23,6%	16,5%
SGA w/o Depreciation	-22,2%	-22,9%	15,8%	-19,2%	-19,5%	14,1%	-19,6%	-21,2%	23,1%
EBITDA	7,9%	5,4%	-23,0%	9,0%	8,4%	5,2%	3,4%	2,4%	-21,3%
Operating Profit (Loss)	6,2%	3,9%	-29,2%	7,5%	6,9%	3,0%	0,7%	-0,4%	n/a

MUS\$ & % Revenues	Promotora CMR			Plaza S.A.		
	9M '10	9M '11	Var %	9M '10	9M '11	Var %
Revenues	361,0	434,6	20,4%	164,2	189,6	15,5%
Gross Margin	53,6%	50,6%	13,6%	84,2%	84,6%	16,0%
SGA w/o Depreciation	-9,4%	-8,9%	14,5%	-11,8%	-12,1%	18,0%
EBITDA	44,3%	41,7%	13,4%	85,3%	84,1%	13,8%
Operating Profit (Loss)	44,3%	41,7%	13,4%	72,4%	72,5%	15,7%

2. International Operations

Similar to Chile, the consumption dynamics in the rest of the region have allowed a sustained growth in revenues in every country where Falabella operates. This growth has also been fueled by the higher surface sales when compared with last year. The growth in revenues has diluted a higher proportion of fixed costs, reversing the previous downward trend of expenses over revenues, resulting in a more efficient operation.

CMR card penetration as a payment method in the companies' subsidiaries has remained stable, propelling the growth of credit loans due to higher revenues of retail businesses. Financial business' margins have contracted as a result of higher provisions expenses and funding costs.

Operating results 3Q 2011 (MUS\$)⁷

MUS\$ & % Revenues	Peru			Argentina			Colombia		
	3Q '10	3Q '11	Var %	3Q '10	3Q '11	Var %	3Q '10	3Q '11	Var %
Revenues	376,2	458,3	21,8%	145,2	178,1	22,7%	97,1	132,5	36,5%
Gross Margin	35,6%	33,8%	15,5%	39,9%	38,2%	17,2%	36,6%	35,5%	32,3%
SGA w/o Depreciation	-21,6%	-20,7%	16,6%	-33,9%	-33,9%	22,4%	-30,4%	-28,5%	28,1%
EBITDA	14,1%	13,1%	13,9%	6,0%	4,3%	-11,7%	6,2%	7,0%	52,7%
Operating Profit (Loss)	11,3%	10,3%	11,9%	4,3%	2,5%	-29,7%	3,3%	3,9%	60,3%

Operating results 9M 2011 (MUS\$)

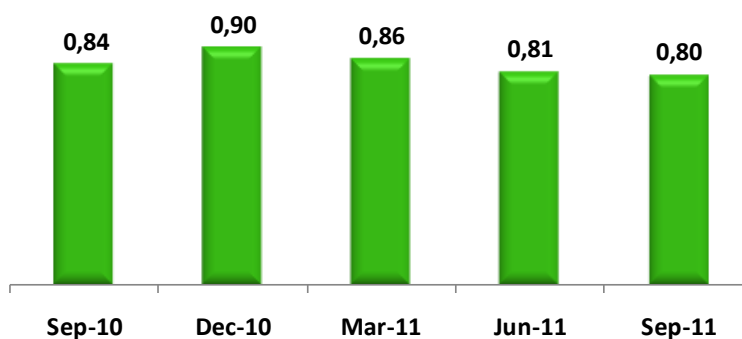
MUS\$ & % Revenues	Peru			Argentina			Colombia		
	9M '10	9M '11	Var %	9M '10	9M '11	Var %	9M '10	9M '11	Var %
Revenues	1.100,8	1.327,0	20,5%	402,5	501,8	24,7%	248,8	361,8	45,4%
Gross Margin	34,0%	32,1%	13,8%	37,4%	39,0%	29,9%	37,7%	37,0%	42,9%
SGA w/o Depreciation	-20,4%	-19,8%	17,0%	-32,9%	-33,4%	26,4%	-31,9%	-30,2%	37,8%
EBITDA	13,6%	12,3%	9,1%	4,5%	5,6%	55,5%	5,8%	6,7%	70,7%
Operating Profit (Loss)	10,8%	9,5%	5,6%	2,7%	3,7%	70,6%	2,0%	3,7%	163,2%

⁷ Operational Results include the financial businesses in Peru, Colombia, and Argentina.

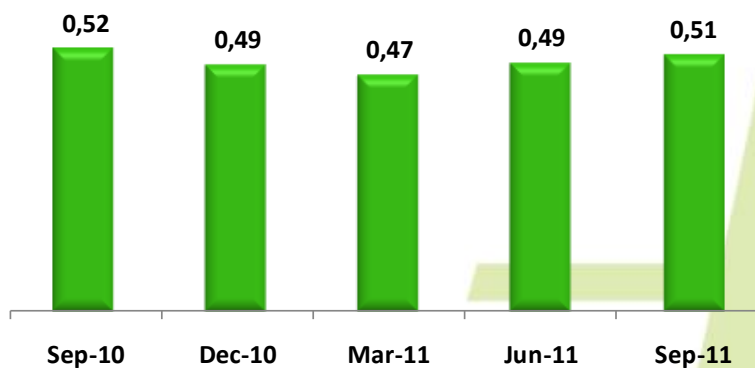
VII. Financial Structure

Liabilities as of September 30, 2011, totaled MCLP\$4,053,777 (MUS\$7,769). This means a leverage⁸ 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 0.80 times. Excluding these same companies, net financial Leverage as of September 30, 2011, was 0.51 times.

Leverage



Net Financial Leverage



⁸ Leverage = Total liabilities over total shareholders' equity. Graphics don't include financial business' companies.

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

INCOME STATEMENT	01-Jan-2011 30-Sep-11 M\$	01-Jan-2010 30-Sep-10 M\$
NON-BANKING OPERATIONS		
Revenues	3.414.855.811	2.924.252.061
Costs of sales	(2.291.659.592)	(1.961.612.114)
GROSS MARGIN	1.123.196.219	962.639.947
SG&A expenses	(738.698.136)	(619.149.001)
Financial Income	5.160.925	7.390.797
Profit / (loss) from Associates	10.775.883	6.614.606
Other Non-Operating income / (Expenses)	12.531.778	(10.767.581)
Finance costs	(71.005.108)	(67.346.268)
Exchange rate differences	(7.539.797)	1.400.699
OTHER GAIN /(LOSS)	(788.774.455)	(681.856.748)
PROFIT BEFORE INCOME TAXES	334.421.764	280.783.199
Income taxes	(61.953.756)	(44.321.916)
NET PROFIT OF CONTINUING OPERATIONS	272.468.008	236.461.283
NET PROFIT OF NON-BANKING OPERATIONS	272.468.008	236.461.283
BANKING OPERATIONS		
Revenues from interest	183.914.194	140.304.335
Interest Expenses	(58.163.541)	(35.513.345)
NET PROFIT OF CONTINUING OPERATIONS	125.750.653	104.790.990
Revenues of Commissions	46.451.229	38.799.529
Cost of commissions	(7.900.506)	(4.498.719)
NET REVENUES OF COMMISSIONS	38.550.723	34.300.810
Net income of financial Operations	8.345.208	(1.182.138)
Gain / (Loss) from exchange Operations	(2.557.873)	5.225.750
Other Operational Income	4.425.831	4.524.787
Provisions	(38.128.215)	(30.558.373)
NET OPERATIONAL REVENUES	(27.915.049)	(21.989.974)
Salaries and personnel expenses	(36.411.966)	(29.213.888)
SG&A Expenses	(44.557.478)	(34.831.892)
Depreciation and Amortization	(5.742.064)	(6.689.275)
Other Operational Expenses	(3.166.578)	(3.315.424)
OPERATIONAL EXPENSES	(89.878.086)	(74.050.479)
NET INCOME OF BANKING OPERATIONS	46.508.241	43.051.347
Profit on associates	211.044	269.717
NET INCOME BANKING OPERATIONS BEFORE TAXES	46.719.285	43.321.064
Income taxes	(12.067.003)	(11.319.924)
NET INCOME/(LOSS) OF BANKING OPERATIONS	34.652.282	32.001.140
NET INCOME/ (LOSS) BEFORE MINORITY INTERESTS	307.120.290	268.462.423
Net Profit attributable to non-controlling interest	(26.245.575)	(24.208.094)
NET INCOME / (LOSS)	280.874.715	244.254.329

Balance Sheet	SACI Falabella Sep-11 M\$	SACI Falabella Dic-10 M\$
Assets		
Non-Banking Operations		
Current Assets		
Cash and cash equivalents	81.292.006	114.739.404
Current trade and other receivables	1.025.966.164	980.604.331
Inventories	678.253.283	575.557.091
Other current Assets	91.355.420	81.095.376
Total Current Assets	1.876.866.873	1.751.996.202
Non- Current Assets		
Non-current trade and other receivables	214.472.330	210.163.277
Goodwill	260.273.967	260.273.967
Property, Plant and Equipment & Investment properties	2.889.758.112	2.764.637.552
Other non- current assets	325.775.206	280.519.328
Total non - current assets	3.690.279.615	3.515.594.124
Total Non Banking Operations Assets	5.567.146.488	5.267.590.326
Assets from Banking Operations	1.740.727.247	1.315.887.131
Total Assets of Banking operations	1.740.727.247	1.315.887.131
Total Assets	7.307.873.735	6.583.477.457

Balance Sheet	SACI Falabella Sep-11 M\$	SACI Falabella Dic-10 M\$
Net Equity and Total Liabilities		
Non Banking Operations		
Current Liabilities		
Other current financial liabilities	436.161.431	399.996.823
Current trade and other current accounts payable	678.061.451	832.300.247
Total Current Liabilities	1.114.222.882	1.232.297.070
Non- Current Liabilities		
Other non-current financial liabilities	1.229.833.830	1.136.568.195
Other Non-current Liabilities	252.461.031	247.340.200
Total Non-current Liabilities	1.482.294.861	1.383.908.395
Total Non banking Operations Liabilities	2.596.517.743	2.616.205.465
Liabilities from banking Operations	1.457.258.927	1.071.541.812
Total liabilities from banking Operations	1.457.258.927	1.071.541.812
Total Liabilities	4.053.776.670	3.687.747.277
Total Shareholder's Equity	3.254.097.065	2.895.730.180
Total Shareholder's Equity	3.254.097.065	2.895.730.180
Total Shareholder's Equity and Total Liabilities	7.307.873.735	6.583.477.457



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