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EARNINGS REPORT 3rd. quarter 2012

SACI FALABELLA

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Notes:

- Figures in dollars are calculated using the observed Exchange rate of 473.8 CLP/US\$ as of October 1st 2012.
- Quarters are named as 1Q, 2Q, 3Q y 4Q, accordingly.
- Other periods are named as 1H for the first half and 9M for the first nine months of the year.
- Currency symbols: CLP: Chilean pesos; US\$: U.S. dollars; M: million.

I. Executive Summary

Consolidated revenues in the quarter reached MCLP 1,402,067 (MUS\$ 2,959), a 15.7% higher than in the same quarter of 2011. This growth was mainly due to positive same store sales (SSS) growth of our existing stores, especially Sodimac in Chile, Peru and Argentina, and Tottus in Chile and Peru. In addition, the new stores opened during the year, which were more than those opened during last year, contributed to this positive performance.

Consolidated gross loans as of September 30th reached MCLP 2,832,085 (MUS\$ 5,978), or a 14.7% higher than that of September 2011, being Colombia and Peru the countries with the highest growth, with 30.6% and 27.1% growth rates respectively.

The consolidated gross profit in the third quarter reached MCLP 463,358 (MUS\$ 978), with a gross margin of 33.0%, which represents a decrease of 1.4 percentage points when compared to the same period of 2011. Continuing with the trend observed during the first quarters of the year, the lower gross margin was affected by higher provision costs in the financial business, especially in Chile, as the erase of historical records of past-due loans continued affecting the delinquency levels. On the other hand, gross margin in Peru was affected by higher promotional sales, due to the delay in the winter arrival, as well as a mild winter than a normal year. It is important to highlight that decrease in the consolidated gross margin is lower than what was observed during the first quarters of the year.

SG&A expenses reached MCLP 333,432 (MUS\$ 704), 16.3% higher when compared to the same quarter of 2011, while as a percentage of revenues it was in line with 2011. Higher expenses are explained, in part, to new store openings. On the other hand, we continue to observe higher expenses in the department stores business in Chile, as results of logistics projects that will come into operation in the fourth quarter.

As a result, the consolidated EBITDA increased by 1.5% when compared to the same quarter 2011, reaching MCLP 165,530 (MUS\$ 349), mainly due to revenue growth.

This quarter, income tax was negatively impacted by the tax reform applied in Chile, under IFRS, which translated in an increase in the income tax rate from 18,5% to 20%. The main impact was higher deferred taxes, which arose to MCLP 16,140. In addition, it also has a negative effect due to the incremental retroactive tax for the net income obtained during the first half of the year that reached MCLP 2,773. It is worth mentioning that the impact of increased deferred tax was not a cash flow, and thus had no impact in Falabella's liquidity.

Finally, net income decreased by 22.2% when compared to third quarter 2011, reaching MCLP 59,529 (MUS\$ 126), as a result of higher income tax. Isolating the impact of tax reform in income tax, net income would have arisen to MCLP 78,442, or 2.5% higher than the MCLP 76,542 obtained in the third quarter of 2011.

During the third quarter we opened nine stores in the region: Sodimac opened two stores in Colombia, Envigado and Valledupar, and opened its first store outside Buenos Aires, in Córdoba. Imperial opened a store in Talca and another one in Viña del Mar. Falabella opened a store in Bogotá, Colombia and a store in the new Aventura Mall in Lima, Santa Anita. Tottus opened one store in Mall Plaza Bio Bio in Chile, and its store in Santa Anita in Peru.



II. Consolidated Income Statement as of September 30, 2012

Consolidated Income Statement 3Q 2012 (MCLP)

MCLP	3Q 2011	% Rev.	3Q 2012	% Rev.	Var. 12/11
Revenues of Non-Banking Operations	1,127,811		1,300,427		15.3%
Revenues of Banking Operations	84,294		101,641		20.6%
TOTAL REVENUES	1,212,104		1,402,067		15.7%
COGS of Non-Banking operations	(757,051)	-67.1%	(886,474)	-68.2%	17.1%
COST of Banking Operations	(38,248)	-45.4%	(52,235)	-51.4%	36.6%
GROSS PROFIT	416,805	34.4%	463,358	33.0%	11.2%
SG&A Expenses	(286,653)	-23.6%	(333,432)	-23.8%	16.3%
Operational Income	130,152	10.7%	129,926	9.3%	-0.2%
Depreciation+Amortization	32,916	2.7%	35,604	2.5%	8.2%
EBITDA	163,068	13.5%	165,530	11.8%	1.5%
Other Non-Operating Income/(Expenses)	5,348		7		-99.9%
Net Financial Income / (Cost)	(26,254)		(20,298)		-22.7%
Profit / (loss) in Associates	4,049		4,045		-0.1%
Exchange rate differences	(7,564)		1,850		-124.5%
Non- Operating Profit	(24,420)	-2.0%	(14,395)	-1.0%	-41.1%
Profit Before Tax Expenses	105,731	8.7%	115,531	8.2%	9.3%
Income Tax	(20,314)		(56,400)		177.6%
Minority Interest	(8,875)		398		-104.5%
NET PROFIT / (LOSS)	76,542	6.3%	59,529	4.2%	-22.2%

Resultados Consolidados 9M 2012 (MM\$)

MCLP	9M 2011	% Rev.	9M 2012	% Rev.	Var. 12/11
Revenues of Non-Banking Operations	3,368,285		3,897,076		15.7%
Revenues of Banking Operations	234,547		299,883		27.9%
TOTAL REVENUES	3,602,831		4,196,960		16.5%
COGS of Non-Banking operations	(2,237,320)	-66.4%	(2,654,783)	-68.1%	18.7%
COST of Banking Operations	(98,993)	-42.2%	(156,061)	-52.0%	57.6%
GROSS PROFIT	1,266,518	35.2%	1,386,116	33.0%	9.4%
SG&A Expenses	(828,217)	-23.0%	(990,560)	-23.6%	19.6%
Operational Income	438,301	12.2%	395,556	9.4%	-9.8%
Depreciation+Amortization	93,982	2.6%	104,572	2.5%	11.3%
EBITDA	532,283	14.8%	500,128	11.9%	-6.0%
Other Non-Operating Income/(Expenses)	11,297		1,412		-87.5%
Net Financial Income / (Cost)	(71,910)		(68,505)		-4.7%
Profit / (loss) in Associates	10,987		14,837		35.0%
Exchange rate differences	(7,541)		1,362		-118.1%
Non- Operating Profit	(57,167)	-1.6%	(50,894)	-1.2%	-11.0%
Profit Before Tax Expenses	381,134	10.6%	344,662	8.2%	-9.6%
Income Tax	(74,014)		(98,447)		33.0%
Minority Interest	(26,246)		(21,408)		-18.4%
NET PROFIT / (LOSS)	280,875	7.8%	224,807	5.4%	-20.0%

1. Operating Income

During the quarter, consolidated revenues continued growing at a similar rate than during 2011 and first quarters of 2012.

Revenues from non-banking operations increased 15.3% in the third quarter, mainly explained by positive same store sales (SSS) growth, following the trend observed in the last quarters, due to the strong consumption levels in the region that are in place since 2010. In addition, this growth was reinforced with a 10.3% increase in sales area, standing out Supermarkets in Chile and Peru, Home Improvement in Argentina and Colombia, and Department Stores in Colombia.

On the other hand, revenues from our banking operations increased 20.6% in the quarter, as a result of growth in loans, mainly in Colombia and Peru. In Chile, growth is slower than in the first quarters of the year, in line with our policy of controlling risk levels.

Gross profit increased by 11.2% in the quarter, when compared to third quarter of 2011, mainly due to revenue growth. On the other hand, gross margin continued under pressure during the third quarter, though it was less affected than in the first quarters of the year, mainly due to the improvement in gross margins of banking business. In Chile, the slower growth in loans resulted in a lower level of provisions when compared to the second quarter of 2012, positively affecting the gross margin of the business.

SG&A expenses as a percentage of revenues are in line with the third quarter of 2011, increasing 0.2 percentage points, while expenses increased by 16.3%. This is mainly explained, firstly, by increased pre-operating expenses from store opened during the quarter, given that this quarter we opened more stores than the same quarter in 2011. Secondly, is also explained by higher logistics expenses in Falabella Chile, due to certain projects that were executed during the first quarters, and finished during this quarter, which implied additional warehouses rent expenses.

In spite of the lower gross margin, the increased revenues combined with a limited growth in SG&A expenses, resulted in an EBITDA 1.5% higher during the third quarter. On the other hand, the EBITDA margin decreased 1.7 percentage points in the same period.

As of the third quarter of 2012, the operating income reached MCLP 129,926 (MUS\$ 274), or a 0,2% decrease when compared to same quarter of 2011. In cumulative terms, the operating income reached MCLP 395,556 (MUS\$ 835).

2. Non-Operating Income

Non-operating income in the period resulted in a loss of MCLP 14,395 (MUS\$ 30), or a 41,1% lower loss when compared to same period of 2011. The increased non-operating income is mainly explained by decreased exchange rate differences, as a result of the appreciation of the Chilean peso, which resulted in a positive exchange rate difference of MCLP 1,850. In addition, is also explained by decreased financial expenses, which declined by 22.7% mainly as a result of the negative variation of the UF in this quarter.

Cumulative non-operating income as of September 2012 resulted in a 11.0% lower loss compared to the first nine months of 2011.

As a result, net income in the quarter reached MCLP 59,529, or a 22.2% decrease compared to the third quarter of 2011, mainly due to the increase in income tax. In September, a tax reform was approved in Chile, which main modification was an increase in the income tax rate from 18.5% to 20%. This reform entailed two main effects that affected net income in the quarter. In first place, we had one-time expenses from deferred taxes, as deferred taxes liabilities that were booked at the original tax rate, had to be reexpressed at 20%. This impact reached MCLP 16,140, being Mall Plaza the affiliate with the higher expense, reaching MCLP 19,771 (60% of total expense, which corresponds to our stake in the company). In second place, it has also been affected by the incremental retroactive tax for the net income obtained during the first half of the year that reached MCLP 2,773. Isolating the impact of tax reform in income tax, net income would have arisen to MCLP 78,442, or 2.5% higher than the MCLP 76,542 obtained in the third quarter of 2011. It is worth mentioning that the impact of increased deferred tax was not a cash flow, and thus had no impact in Falabella's liquidity.



III. Main Events in the Period

- During the quarter, we opened nine stores in the region, detailed as follow:
 - Sodimac opened three stores in the region: one in the city of Cordoba, in Argentina, with 9,600 m²; and two stores in Colombia, the fifth store in the department of Antioquia in Envisado, with 12,975 m², and one in Valledupar with 8,370 m².
 - Imperial opened two stores in Chile: in July it opened a store in Reñaca, with 4,760 m²; while in August opened its first store in the VII Region, in Talca, with 5,880 m².
 - Falabella opened a new store in Colombia, in Bogotá, with 11.165 m².
 - Tottus opened its store in Mall Plaza Bio Bio in Concepción, Chile, with 3.400 m².
 - In Peru, Mall Plaza Aventura opened its fourth mall in the country. Falabella and Tottus opened a store in this mall, with 7,560 m² and 4,240 m², respectively.
- Falabella.com launched the online sale of its private apparel label Bsement, as well as the exclusive labels Aldo (footwear) and Warehouse (apparel), increasing the product range available online for their customers.
- On August 14th, Falabella reached one million fans in Facebook, being the first Chilean company to achieve that record.
- In August, Saga Falabella issued a 10-year bond for a total amount of 40 million of Peruvian soles (MUS\$ 15.2)
- At the end of August, Sodimac Colombia made its first fixed income operation in the local capital market, issuing three bonds for a total amount of MCOP 300,000 (MUS\$ 164): the first one was a 5-year bond and fixed interest rate, for an amount of MCOP 70,000; the second was also a 5-year bond but with variable rate and a total amount of MCOP 40,000, and finally, the third one was a 10-year bond with variable interest rate for an amount of MCOP 190,000.

Recent Events

- In October, we opened four new stores in the region:
 - Tottus opened its first store in Chillán, with 3,840 m².
 - Sodimac opened two stores in the region: one in Chile, in Talca, with 9.360m²; and the other one in Colombia, in Santa Marta, with 8.800m².
- In November, Tottus opened a new store in Peru, with 4.950 m².

IV. Retail Indicators

1. Retail Business Revenues

Retail Revenues 3Q 2012¹ (MUS\$)
 (Nominal Chilean pesos, translated to USD observed exchange rate of October 1st 2012)

RETAIL REVENUES	3Q '11	3Q '12	Var. 12/11	Var. Local Currency ²
CHILE				
Department Stores	493	519	5.3%	5.3%
Home Improvement	674	777	15.3%	15.3%
Supermarkets	207	247	19.7%	19.7%
PERU				
Department Stores	187	229	22.4%	13.2%
Home Improvement	101	131	29.1%	20.3%
Supermarkets	160	220	37.8%	28.2%
ARGENTINA				
Department Stores	132	141	6.7%	14.8%
Home Improvement	47	55	17.3%	29.5%
COLOMBIA				
Department Stores	106	138	30.5%	27.1%
Home Improvement	295	333	13.0%	10.1%

Retail Revenues 9M 2012 (MUS\$)
 (Nominal Chilean pesos, translated to USD observed exchange rate of October 1st 2012)

RETAIL REVENUES	9M '11	9M '12	Var. 12/11	Var. Local Currency ²
CHILE				
Department Stores	1,482	1,577	6.4%	6.4%
Home Improvement	2,137	2,463	15.2%	15.2%
Supermarkets	591	699	18.2%	18.2%
PERU				
Department Stores	539	646	19.9%	10.9%
Home Improvement	286	378	32.1%	22.6%
Supermarkets	456	615	34.7%	24.9%
ARGENTINA				
Department Stores	379	419	10.5%	15.9%
Home Improvement	128	158	23.4%	31.1%
COLOMBIA				
Department Stores	299	384	28.2%	21.3%
Home Improvement	790	957	21.0%	14.9%

¹ Financial business revenues are not included

² Sales variation in local currency does not reflect the effects of the exchange rate in the translation of the financial statements

Same Store Sales Growth (SSS)

(Growth rates have been calculated in nominal terms and in local currency of each country)

SAME STORE SALES	2011				2012			9M '11	9M '12
	1Q	2Q	3Q	4Q	1Q	2Q	3Q		
CHILE									
Department Stores Chile	20.9%	3.7%	9.1%	5.6%	9.2%	1.6%	-0.5%	10.4%	3.2%
Home Improvement Chile	18.3%	7.0%	8.8%	13.6%	10.6%	11.8%	10.9%	11.4%	11.1%
Supermarkets Chile	4.9%	3.7%	4.0%	8.0%	9.5%	7.5%	8.9%	4.2%	8.6%
PERU									
Department Stores Peru	9.2%	6.7%	10.9%	11.8%	11.3%	5.5%	9.9%	8.8%	8.6%
Home Improvement Peru	19.5%	19.3%	17.6%	11.8%	15.7%	7.4%	20.3%	18.8%	12.4%
Supermarkets Peru	9.0%	10.6%	8.9%	12.2%	15.0%	10.9%	19.6%	9.5%	15.2%
ARGENTINA									
Department Stores Argentina	32.2%	14.6%	28.9%	23.9%	18.4%	13.3%	16.4%	20.0%	15.8%
Home Improvement Argentina	25.6%	19.7%	24.0%	29.0%	27.4%	35.6%	29.5%	22.4%	31.1%
COLOMBIA									
Department Stores Colombia	19.3%	32.9%	22.2%	31.2%	18.2%	11.6%	6.5%	16.5%	11.7%
Home Improvement Colombia	18.2%	19.2%	14.7%	8.7%	8.8%	3.9%	1.7%	17.2%	4.7%

2. Number of Stores and Net Selling Area³

Sales Area	September 2011		September 2012	
	Area (m ²)	Stores	Area (m ²)	Stores
Chile				
Department Stores	236,218	36	245,459	37
Expos Falabella Retail	5,045	4	5,045	4
Home Improvement	560,530	67	615,633	74
Supermarkets	122,778	32	140,615	38
Peru				
Department Stores	117,517	17	128,061	19
Home Improvement	131,569	17	136,922	18
Supermarkets	113,452	27	123,980	31
Argentina				
Department Stores	58,545	11	58,545	11
Home Improvement	65,185	6	74,785	7
Colombia				
Department Stores	68,184	11	85,891	13
Home Improvement	229,145	22	269,843	26
Total Stores	1,708,169	250	1,884,779	278
Mall Plaza - Chile	877,000	11	954,000	12
Soc. Rentas Falabella - Chile	156,929	6	174,258	7
Aventura Plaza - Peru	169,000	3	236,000	4
Open Plaza - Peru	199,993	7	199,993	7
Total Real Estate	1,402,922	27	1,564,251	30

³ Sociedad de Rentas includes Power Centers (locations with two of our formats as anchor stores, in addition to minor stores), and Shopping Centers (locations with three of our formats as anchor stores, in addition to minor stores), different from those operated by Mall Plaza.

⁴ Selling area information as of September 2011 may differ with the information revealed in the 3rd Quarter 2011 Earnings Report, given the area recount our subsidiaries do periodically.

V. Credit Indicators

1. Loans Portfolio⁵

CREDIT INFORMATION			1Q'11	2Q'11	3Q'11	4Q'11	1Q'12	2Q'12	3Q'12
CHILE CMR (Card)	TOTAL LOANS	M CLP	894,885	922,479	942,105	1,043,718	1,062,622	1,047,342	998,000
	PROVISIONS	M CLP	-31,174	-32,880	-36,476	-40,634	-45,582	-51,105	-50,866
	WRITE-OFFS	M CLP	7,919	14,048	21,765	33,106	16,040	34,454	56,555
	OPEN ACCOUNTS (with balance)	#	1,917,602	1,986,343	2,008,651	2,084,522	2,075,779	2,084,857	2,064,315
	AVERAGE DURATION	DAYS	163	153	150	164	159	149	140
	AVERAGE LOAN	CLP	466,669	464,411	469,024	500,699	511,626	502,357	483,453
PERU BANK (Card)	TOTAL LOANS	M SOL	1,503	1,731	1,734	1,863	1,868	2,121	2,204
	PROVISIONS	M SOL	-93	-104	-111	-130	-138	-148	-152
	WRITE-OFFS	M SOL	22	34	47	63	23	53	80
	OPEN ACCOUNTS (with balance)	#	831,003	860,095	871,702	891,609	913,705	950,534	921,032
	CONSUMER FINANCE LOANS	M SOL	1,469	1,696	1,719	1,850	1,855	2,109	2,192
	AVERAGE DURATION	DAYS	119	124	127	129	125	128	129
	AVERAGE LOAN	SOL	1,768	1,971	1,972	2,090	2,044	2,231	2,393
COLOMBIA BANK (Card)	TOTAL LOANS	M COP	610,638	702,197	804,858	932,702	990,669	1,056,028	1,051,451
	PROVISIONS	M COP	-25,218	-32,691	-41,511	-54,871	-62,941	-76,592	-78,833
	WRITE-OFFS	M COP	2,179	3,823	5,534	16,428	9,573	21,016	39,073
	OPEN ACCOUNTS (with balance)	#	529,413	573,869	614,237	655,326	627,528	649,497	671,201
	CONSUMER FINANCE LOANS	M COP	610,638	702,197	804,858	932,702	990,669	1,056,028	1,051,451
	AVERAGE DURATION	DAYS	172	168	168	174	167	167	160
	AVERAGE LOAN	COP	1,153,425	1,223,619	1,310,338	1,423,264	1,578,685	1,625,917	1,566,522
CMR ARGENTINA (Card)	TOTAL LOANS	M ARG	793.2	899.8	915.9	1,034.0	1,020.1	1,053.7	1,050.4
	PROVISIONS	M ARG	-6.33	-7.87	-10.79	-18.24	-23.71	-28.09	-26.67
	WRITE-OFFS	M ARG	0.94	2.83	5.81	8.73	5.69	12.83	25.13
	OPEN ACCOUNTS (with balance)	#	449,849	471,559	491,858	525,546	524,596	515,349	504,812
	AVERAGE DURATION	DAYS	175	184	176	185	168	161	148
	AVERAGE LOAN	ARG	1,763	1,908	1,862	1,968	1,945	2,045	2,081
CHILE BANK	TOTAL LOANS	M CLP	774,286	824,033	868,724	945,767	976,831	1,022,622	1,049,888
	PROVISIONS	M CLP	-22,900	-24,805	-27,173	-31,000	-31,811	-34,013	-37,558
	WRITE-OFFS	M CLP	4,683	9,555	15,312	21,875	9,984	19,938	30,260

2. CMR Card Sales

% of Total Sales paid with CMR⁶

	1Q 2011	1H 2011	9M 2011	2011	1Q 2012	1H 2012	9M 2012
Department Stores Chile	58.4%	60.4%	60.0%	59.8%	56.6%	57.5%	57.9%
Home Improvement Chile	30.6%	31.5%	31.5%	31.9%	31.0%	31.2%	31.6%
Supermarkets Chile	19.1%	19.7%	20.2%	20.6%	18.8%	19.3%	19.5%
Retail Peru (Saga, Sodimac & Tottus)	45.7%	48.3%	47.8%	48.5%	44.8%	47.3%	47.0%
Retail Argentina (Falabella & Sodimac)	44.3%	40.3%	39.9%	39.6%	38.6%	36.8%	35.7%
Retail Colombia (Falabella & Sodimac)	31.0%	30.1%	29.5%	29.7%	25.1%	26.1%	25.5%

⁵ a. CMR Chile loans portfolio included car stock balance. New car loans are now part of Banco Falabella portfolio.

b. Banco Falabella Chile provisions include additional provisions suggested by the SBIF (local banking regulator), which are presented as liabilities.

c. Average duration and loans are calculated based on consumption loans and not over total loans.

⁶ Percentage of sales using CMR corresponds to sales using CMR compared to total sales of each business.

VI. Operating Results by Business Unit

1. Chile

In the third quarter, the operating income of departments stores in Chile increased by 65.3%, mainly driven by improved gross margins as well as revenue growth. Revenues increased in the period mainly as a result of the opening of Costanera Center store, as well as eight new stand alone stores opened in that shopping mall. On the other hand, the higher gross margin is explained by fewer promotional sales as inventory levels were lower than in the last quarters. Also, the increased participation of apparel in the sales mix helped with the improvement in gross margin. This compensated the higher SG&A expenses in the quarter, which were the result of certain logistics projects that will come into operation in the fourth quarter, and implied higher warehouses rent expenses.

Sodimac's operating income grew 15.4% in the quarter, as a result of higher revenues and an improved gross margin. Revenues continued with the growth pace observed in the last quarters, as a result of positive SSS growth and seven new stores opened in the last twelve months. On the other hand, improvement in gross margin is explained by, on the one hand, a different sales mix as retail sales increased their participation *vis a vis* volume sales; and, on the other hand, due to increased gross margin of imported merchandising given the appreciation of Chilean peso. This compensated the increased SG&A expenses in the quarter due to higher pre-opening expenses of new stores.

Tottus' revenues increased by 19.7% when compared to same quarter of 2011, as a result of increased sales area, as well as positive SSS growth due to the maturity process of stores opened in 2010 and 2011. In addition, the company improved its gross margins as a result of better special offers planning, especially during September, which is a crucial month for food due to National Holidays. These positive results could not offset increased SG&A in the quarter, mainly due to the large proportion of new stores in the company, which have higher expenses as they are still in maturity process, resulting in a lower operating income in the quarter.

Operating income of CMR Chile decreased by 16.3% when compared to third quarter of 2011, mainly explained by a lower gross margin, in line with higher provision costs due to increased risks levels. It is worth mentioning that the decrease in gross margin this quarter is lower than the observed in the first two quarters of 2012.

Operating Income 3Q 2012 (MUS\$)

MUS\$ & % Revenues	Department Stores			Home Improvement			Supermarkets		
	3Q ' 11	3Q ' 12	Var %	3Q ' 11	3Q ' 12	Var %	3Q ' 11	3Q ' 12	Var %
Revenues	492.6	518.6	5.3%	673.8	776.6	15.3%	206.7	247.5	19.7%
Gross Margin	26.2%	27.9%	12.2%	27.2%	27.5%	16.6%	22.2%	23.1%	24.3%
SGA w/o Depreciation	-23.5%	-24.6%	10.1%	-21.2%	-21.8%	18.7%	-19.9%	-21.0%	26.3%
EBITDA	2.7%	3.4%	30.9%	6.0%	5.7%	9.3%	2.3%	2.1%	7.4%
Operating Profit (Loss)	1.2%	1.9%	65.3%	4.0%	4.0%	15.4%	-0.4%	-0.6%	n/a

MUS\$ & % Revenues	Promotora CMR			Plaza S.A.		
	3Q '11	3Q '12	Var %	3Q '11	3Q '12	Var %
Revenues	145.9	160.9	10.3%	72.4	88.3	22.1%
Gross Margin	52.5%	41.0%	-13.8%	85.5%	83.9%	19.7%
SGA w/o Depreciation	-9.5%	-8.4%	-2.3%	-12.5%	-9.6%	-6.1%
EBITDA	43.0%	32.6%	-16.3%	85.6%	85.5%	22.0%
Operating Profit (Loss)	43.0%	32.6%	-16.3%	73.0%	74.2%	24.2%

Operating Income 9M 2012 (MUS\$)

MUS\$ & % Revenues	Department Stores			Home Improvement			Supermarkets		
	9M'11	9M'12	Var %	9M'11	9M'12	Var %	9M'11	9M'12	Var %
Revenues	1,482.0	1,576.9	6.4%	2,137.4	2,462.9	15.2%	591.4	699.3	18.2%
Gross Margin	28.3%	27.9%	4.8%	28.0%	27.6%	13.8%	22.9%	23.4%	21.2%
SGA w/o Depreciation	-22.9%	-24.0%	11.6%	-19.3%	-19.6%	17.0%	-20.3%	-20.8%	21.2%
EBITDA	5.4%	3.9%	-23.8%	8.6%	8.0%	6.7%	2.5%	2.6%	21.6%
Operating Profit (Loss)	3.9%	2.5%	-32.7%	6.9%	6.4%	7.1%	-0.3%	-0.2%	n/a

MUS\$ & % Revenues	Promotora CMR			Plaza S.A.		
	9M'11	9M'12	Var %	9M'11	9M'12	Var %
Revenues	436.3	482.6	10.6%	208.6	249.1	19.4%
Gross Margin	55.5%	39.8%	-20.7%	84.4%	84.0%	18.9%
SGA w/o Depreciation	-9.8%	-17.0%	92.8%	-11.8%	-9.9%	0.2%
EBITDA	45.7%	22.8%	-44.9%	84.5%	85.0%	20.2%
Operating Profit (Loss)	45.7%	22.8%	-44.9%	72.6%	74.1%	21.9%

2. International Operations

In the third quarter, operating income in Peru increased by 5.2%, mainly explained by higher revenues, as both gross margin and operating margin declined 1 percentage point and 1.7 percentage points respectively. Increased revenues are mainly the result of positive SSS growth of all our retail businesses in the country, given the maturity process of stores opened during 2010 and beginning of 2011; as well as due to the 7.3% growth in sales area. On the other hand, gross margin was affected by a lower margin in department stores, as winter sales were impacted by the delay in the arrival of the winter and also it was a mild winter than a normal year. This resulted in more promotional sales, in line with our policy of controlling inventory levels. In addition, the higher growth in home improvement and supermarkets, that have lower gross margins, resulted in a decreased consolidated gross margin in Peru.

Operating income in Argentina in the third quarter decreased by 17.8%, as a result of wage pressure in the country, which implied a 24.5% increase in SG&A expenses. It is worth mentioning the improvement in gross margin, which increased 2.3 percentage points, mainly as a result of a change in sales mix. Apparel increased its participation in the quarter, positively impacting gross margin in department



stores. In contrast, revenues grew at a slower pace, as consumer electronics and appliances have larger tickets.

In Colombia, the operating income increased 98.4% in the third quarter, mainly driven by revenue growth and lower SG&A expenses, which resulted in a 1.6 percentage points increase in operating margin. Higher revenues are mainly explained by a larger sales area, which increased by 26.0% in the third quarter. On the other hand, greater efficiencies achieved by the banking business, as a result of the growth experienced in the last quarters, allowed it to dilute in part SG&A expenses, resulting in a lower SG&A expense to revenues ratio.

Operating Income 3Q 2012 (MUS\$)⁷

MUS\$ & % Revenues	Peru			Argentina			Colombia		
	3Q '11	3Q '12	Var %	3Q '11	3Q '12	Var %	3Q '11	3Q '12	Var %
Revenues	509.5	653.7	28.3%	194.6	219.1	12.6%	146.2	193.7	32.4%
Gross Margin	31.2%	29.2%	20.1%	38.0%	40.3%	19.6%	34.8%	35.4%	34.7%
SGA w/o Depreciation	-19.0%	-18.9%	27.5%	-33.0%	-36.5%	24.5%	-28.6%	-27.9%	29.3%
EBITDA	12.2%	10.4%	8.6%	5.0%	3.9%	-12.2%	6.2%	7.4%	59.6%
Operating Profit (Loss)	9.4%	7.7%	5.7%	3.1%	2.3%	-17.8%	3.2%	4.8%	98.4%

Operating Income 9M 2012 (MUS\$)

MUS\$ & % Revenues	Peru			Argentina			Colombia		
	9M'11	9M'12	Var %	9M'11	9M'12	Var %	9M'11	9M'12	Var %
Revenues	1,457.1	1,849.5	26.9%	549.0	645.1	17.5%	398.5	543.6	36.4%
Gross Margin	31.7%	29.5%	18.0%	38.8%	39.6%	20.0%	37.0%	34.8%	28.3%
SGA w/o Depreciation	-19.7%	-19.3%	24.3%	-32.6%	-35.5%	27.9%	-30.2%	-28.1%	26.7%
EBITDA	12.0%	10.2%	7.5%	6.2%	4.1%	-21.8%	6.7%	6.7%	35.4%
Operating Profit (Loss)	9.2%	7.5%	3.1%	4.2%	2.4%	-32.2%	3.7%	3.9%	43.1%

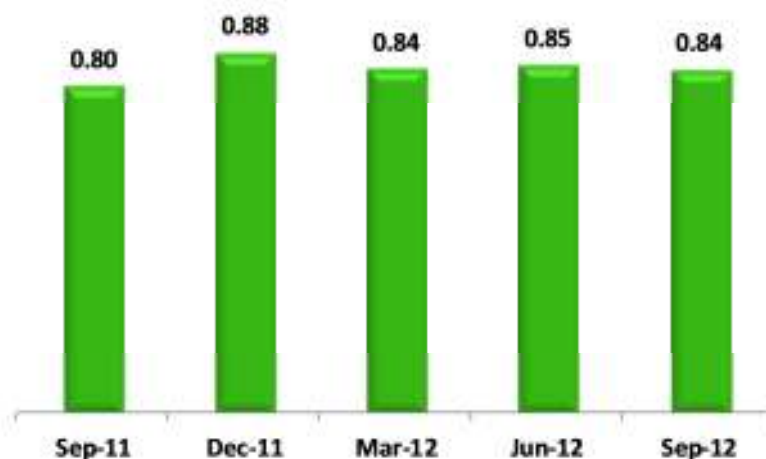
⁷ Operating income includes banking business in Peru and Colombia and credit business in Argentina

VII. Financial Structure

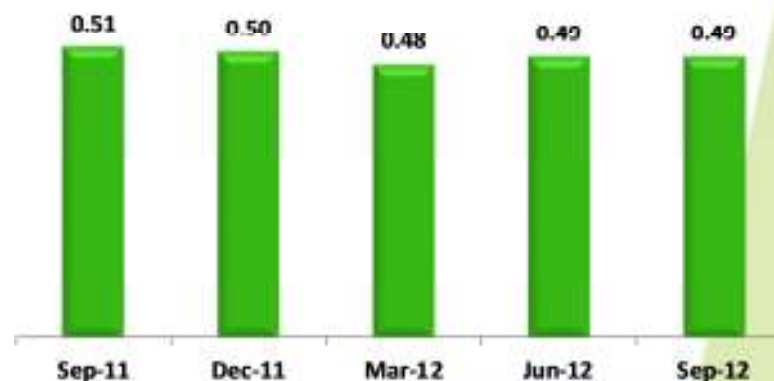
Total liabilities as of September 30th 2012 reached MCLP 4,757,802 (MUS\$ 10,042), which implies a leverage ratios⁸ of 1.36.

Without taking into account our affiliates that develops banking activities (Banco Falabella Chile, Banco Falabella Peru and Banco Falabella Colombia), the consolidated leverage ratio is 0.84. Excluding these same companies, the consolidated net financial ratio⁹ as of September 30th 2012 is 0.49.

Leverage



Net Financial Leverage



⁸ Leverage = Total liabilities to equity.

⁹ Net financial leverage ratio = (current financial liabilities + non current financial liabilities – cash and cash equivalents) to equity

VIII. Financial Statements of S.A.C.I. Falabella – IFRS

Income Statement	Cumulative January - September 2012	Cumulative January - September 2011	Quarter June - September 2012	Quarter June - September 2011
	M\$	M\$	M\$	M\$
Non- Banking Operations				
Revenues	3,897,076,388	3,368,284,731	1,300,426,766	1,127,810,712
Costs of sales	(2,654,782,833)	(2,237,320,030)	(886,474,126)	(757,051,014)
Gross Margin	1,242,293,555	1,130,964,701	413,952,640	370,759,698
Distribution Costs	(57,277,620)	(46,789,600)	(18,947,255)	(15,441,934)
Administrative Expenses	(734,236,661)	(606,846,727)	(243,771,023)	(212,266,542)
Other Operating Expenses	(94,932,440)	(85,528,383)	(34,946,581)	(28,292,415)
Other Non-Operating income / (Expenses)	1,411,900	11,297,087	7,212	5,348,291
Financial Income	3,259,995	5,503,064	221,935	2,080,746
Finance costs	(60,998,731)	(53,520,589)	(22,934,714)	(20,634,230)
Share of Profit in Associates	14,520,861	10,775,883	3,982,130	3,992,316
Exchange rate differences	1,362,437	(7,541,213)	1,850,376	(7,564,158)
Gain (Loss) in inflation-index monetary units	(10,766,228)	(23,892,457)	2,414,787	(7,700,175)
Profit before tax income	304,637,068	334,421,766	101,829,507	90,281,597
Income taxes	(87,427,311)	(61,953,758)	(52,405,398)	(16,412,290)
Net Profit of Non - Banking Operations	217,209,757	272,468,008	49,424,109	73,869,307
Banking Operations				
Revenues from interest	240,155,126	184,054,277	82,027,944	66,340,150
Expenses for Interests	(76,992,101)	(58,359,223)	(24,559,769)	(21,275,320)
Net Profit of Continuing Operations	163,163,025	125,695,054	57,468,175	45,064,830
Revenues of Commissions	51,782,282	43,292,881	17,219,642	15,880,020
Cost of commissions	(11,917,152)	(8,293,026)	(4,064,636)	(3,699,719)
Net Revenues of Commissions	39,865,130	34,999,855	13,155,006	12,180,301
Net income of financial Operations	3,580,449	8,345,208	-637,057	2,989,638
Gain / (Loss) from exchange Operations	2,728,222	(2,557,873)	1,982,346	(1,303,337)
Other Operational Income	7,946,028	7,199,512	2,392,983	2,073,519
Provisions	(73,460,414)	(38,128,075)	(24,955,941)	(14,959,755)
Total Net Operational Revenues	143,822,440	135,553,681	49,405,512	46,045,196
Salaries and personnel expenses	(44,669,889)	(36,376,752)	(15,722,692)	(12,869,071)
SG&A Expenses	(47,520,882)	(43,975,588)	(15,804,106)	(14,910,896)
Depreciation and Amortization	(7,542,045)	(5,701,106)	(2,617,677)	(1,963,606)
Other Operational Expenses	(4,380,910)	(2,999,094)	(1,622,726)	(908,857)
Total Operational Expenses	(104,113,726)	(89,052,540)	(35,767,201)	(30,652,430)
Operational Income	39,708,714	46,501,141	13,638,311	15,392,766
Gain / (Loss) of Investment in Associates	315,841	211,044	63,151	56,724
Net Profit Before Tax Expenses	40,024,555	46,712,185	13,701,462	15,449,490
Tax Expenses	(11,019,683)	(12,059,903)	(3,994,687)	(3,901,603)
Net Profit of Banking Operations	29,004,872	34,652,282	9,706,775	11,547,887
Net Income / (Loss)	246,214,629	307,120,290	59,130,884	85,417,194
Net Profit attributable to:				
Net Profit attributable to equity holders of the parent	224,806,580	280,874,715	59,528,885	76,542,127
Net Profit attributable to non-controlling interest	21,408,049	26,245,575	-398,001	8,875,067
Net Income / (Loss)	246,214,629	307,120,290	59,130,884	85,417,194



	SACI Falabella 30-Sep-12 M\$	SACI Falabella 31-Dec-11 M\$
Assets		
Non-Banking Operations		
Current Assets		
Cash and cash equivalents	171,137,461	125,543,206
Other current Financial Assets	38,932,374	39,565,224
Other current Assets, non Financial	56,175,043	45,606,192
Current trade and other receivables	1,109,603,622	1,161,642,764
Notes and accounts receivable from related parties	1,218,464	903,846
Inventories	723,505,176	680,472,204
Recoverable taxes	40,836,067	38,351,506
Total Current Assets	2,141,408,207	2,092,084,942
Non- Current Assets		
Other non-current financial assets	162,887	95,767
Other non- current assets	20,468,280	21,109,901
Non-current trade and other receivables	197,995,831	222,146,445
Non-current notes and accounts receivable from related parties	208,767	375,638
Investments in other societies	115,309,596	110,061,027
Net Intangibles Assets	159,192,350	157,605,013
Goodwill	260,273,967	260,273,967
Property, Plant and Equipment	1,420,096,777	1,360,179,417
Investment Property	1,716,019,105	1,601,517,448
Deferred tax assets	55,551,809	41,542,773
Total non - current assets	3,945,279,369	3,774,907,396
Total Non Banking Operations Assets	6,086,687,576	5,866,992,338
Assets from Banking Operations		
Cash and bank deposits	180,744,872	178,105,226
Near Cash Items	61,168,145	7,848,591
Short term investments	138,424,856	161,773,489
Financial Derivatives	3,540,732	17,022,941
Other banks Receivables	-	15,996,505
Loans and Receivables	1,641,070,898	1,467,337,177
Investment securities available for sale	73,919,352	1,903,868
Investments in other societies	1,797,452	2,018,986
Intangibles Assets	11,444,866	10,994,416
Fixed Assets	31,134,325	27,339,685
Current taxes	3,262,400	4,046,574
Deferred taxes	11,228,052	8,765,431
Other Assets	15,529,560	15,466,428
Total Assets of Banking operations	2,173,265,510	1,918,619,317
Total Assets	8,259,953,086	7,785,611,655

	SACI Falabella 30-Sep-12 M\$	SACI Falabella 31-Dec-11 M\$
Net Equity and Total Liabilities		
Non Banking Operations		
Current Liabilities		
Other current financial liabilities	410,697,627	435,741,245
Current trade and other current accounts payable	609,035,508	691,148,645
Current notes and accounts payable to related companies	2,337,998	2,507,454
Other Current Provisions	6,762,151	6,605,674
Current tax payable	10,904,983	27,132,988
Employee Benefit Liabilities	69,142,591	70,884,376
Other current liabilities	58,150,585	97,871,496
Total Current Liabilities	1,167,031,443	1,331,891,878
Non- Current Liabilities		
Other non-current financial liabilities	1,485,665,607	1,344,407,041
Other non-current liabilities	5,320,078	4,410,861
Accounts payable to related companies, Non-Current	-	-
Long term Provisions	582,191	556,284
Deferred tax liabilities	245,687,794	208,849,852
Non-current employee benefit liabilities	13,263,166	11,690,576
Other Non-current Liabilities	21,312,519	20,680,349
Total Non-current Liabilities	1,771,831,355	1,590,594,963
Total Non banking Operations Liabilities	2,938,862,798	2,922,486,841
Liabilities from banking Operations		
Deposits and others	108,905,700	99,254,859
Near cash Liabilities	58,547,130	6,288,617
Repurchase agreements and securities lending	-	3,799,092
Deposit taken	1,064,969,611	834,014,060
Financial Derivatives	5,657,771	14,218,180
Liabilities with other banks	17,308,907	81,290,305
Debt instruments issued	308,319,890	268,120,441
Other Financial Liabilities	211,345,758	218,974,382
Current tax payable	1,296,704	708,633
Deferred tax liabilities	4,952,990	5,000,124
Provisions	5,222,256	2,490,277
Other Liabilities	32,412,905	30,073,369
Total liabilities from banking Operations	1,818,939,622	1,564,232,339
Total Liabilities	4,757,802,420	4,486,719,180
Shareholder's Equity		
Paid-in Capital	529,859,914	527,253,518
Retained earnings	2,361,926,075	2,179,075,464
Primas de emisión	58,584,117	26,572,387
Other Reserves	(50,674,828)	(13,924,990)
Equity attributable to equity holders of the parent	2,899,695,278	2,718,976,379
Non-controlling interest	602,455,388	579,916,096
Total Shareholder's Equity	3,502,150,666	3,298,892,475
Total Shareholder's Equity and Total Liabilities	8,259,953,086	7,785,611,655



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