EARNINGS REPORT

1st Quarter 2013

SACI FALABELLA

Index

Notes:

- All dollar figures are calculated based on the observed exchange rate on April 1st 2013: 472,0 $/US$.
- Symbols for quarters: 1Q, 2Q, 3Q y 4Q, accordingly.
- Other symbols for periods of the year: 1H for the first half of the year and 9M for the first nine months of the year.
- Currency symbols: CLP: Chilean pesos, US$: U. S. dollars, M: million.

I. Executive Summary

During the first quarter of 2013, consolidated revenues reached MCLP 1,481,980 (MMUS$ 3,140), growing by 8.7% year-over-year. This increase primarily results from the 32 new stores opened over the last 12 months, adding approximately 210,000 m^2 of selling area.

As of March 31th our consolidated loan portfolio reached a total of MCLP 2.847,175 (MMUS$ 6,032), increasing 3.0% year-over-year. The increase was mainly due to our banking operations in Chile and Peru, with growth rates of 12.8% and 20.8% respectively.

During this quarter, gross profit augmented by 14.0%, reaching MCLP 507,578 (MMUS$ 1,075). Meanwhile, as observed during the fourth quarter of 2012, gross margin continued to increase, gaining 160 basis points during the first quarter of 2013. This effect is mainly explained by the improved results of our non-banking business which is a consequence of less sales promotions as well as an enhanced product mix in several of our business units. Due to the lower risk level in our financial businesses during this quarter, margins increased in the banking division, CMR Chile and Argentina.

During this quarter, sales, general and administrative expenses (SG&A) amounted to 358,857 (MMUS$ 760), implying an increase of 9.8% compared to the same period of 2012. This increase mainly results from rises in salary and higher logistics expenses of our businesses, in particular by Sodimac with a higher proportion of imported products.

As a result, consolidated EBITDA rose to MCLP 187,971 (MMUS$ 398), showing an increase of 23.5%.

During the first quarter, the consolidated net income grew by 30.1% and amounted to MCLP 93.848 (MMUS$ 199), partly resulting from the provision of MCLP 20.749, realized during the first quarter of 2012 due to the unlawful appropriation of funds by MisCuentas.com. It is important to highlight that our net income does not include asset revaluation, as we have adopted the historic cost method in 2009.

On March 15th, Mall Plaza announced the acquisition of Mall Las Américas, located in Iquique (Chile) which since March 2013 has been managed by Mall Plaza and consolidated in its balance sheet (though it is not consolidated in its income statement).

Furthermore, during the quarter we opened 3 new stores within the region. Tottus opened one in Vitacura (Santiago, Chile), launching its business format Tottus Express. Meanwhile, Sodimac opened a store in Ate (Lima, Peru), and also opened a new store in Castro (Chile). Moreover, we opened 2 standalone stores in Chile and 1 in Peru.

II. Consolidated Income Statement as of March 31, 2013

Consolidated Income Statement 1Q 2013 (MUS$)

Mill. of USD	1Q2012	% Rev.	1Q2013	% Rev.	Var. 13/12
Revenues of Non-Banking Operations	2.680		2.915		8,8%
Revenues of Banking Operations	207		224		8,3%
TOTAL REVENUES	**2.888**		**3.140**		**8,7%**
COGS of Non-Banking operations	(1.841)	-68,7%	(1.956)	-67,1%	6,3%
COST of Banking Operations	(104)	-50,2%	(108)	-48,4%	4,3%
GROSS PROFIT	**943**	**32,7%**	**1.075**	**34,2%**	**14,0%**
SG&A Expenses	(692)	-24,0%	(760)	-24,2%	9,8%
Operational Income	**251**	**8,7%**	**315**	**10,0%**	**25,7%**
Depreciation&Amortization	72	2,5%	83	2,6%	16,0%
EBITDA	**322**	**11,2%**	**398**	**12,7%**	**23,5%**
Other Non- Operating Income / (Expenses)	(0)	0	(2)	0	384,8%
Net Financial Income / (Cost)	(56)	0	(43)	0	-22,9%
Profit / (loss) in Associates	13	0	11	0	-17,2%
Exchange rate differences	1	0	(3)	0	-562,9%
Non- Operating Profit	**(43)**	**-1,5%**	**(37)**	**-1,2%**	**-13,2%**
Profit Before Tax Expenses	**208**	**7,2%**	**278**	**8,8%**	**33,7%**
Income Tax	(34)		(57)		70,2%
Minority Interest	(21)		(22)		1,5%
NET PROFIT / (LOSS)	**153**	**5,3%**	**199**	**6,3%**	**30,1%**

Summary of Consolidated Balance Sheet – March 2013 (MCLP$)

MCLP	31-12-2012	31-03-2013
Current Assets - Non Banking Business	2.294.087	2.236.472
Non Current Assets - Non Banking Business	4.044.419	4.071.318
Total Assets - Non Banking Business	**6.338.506**	**6.307.790**
Total Assets - Banking Business	**2.300.714**	**2.462.311**
Total Assets	**8.639.220**	**8.770.101**
Current Liabialities - Non Banking Business	1.522.730	1.310.986
Non Current Liabialities - Non Banking Business	1.731.739	1.817.734
Total Liabialities - Non Banking Business	**3.254.470**	**3.128.720**
Total Liabialities - Banking Business	**1.910.377**	**2.085.862**
Total Liabialities	**5.164.847**	**5.214.582**
Total Equity	**3.474.373**	**3.555.519**
Total Liabilities + Equity	**8.639.220**	**8.770.101**

1. Operational Results

During the first quarter of 2013, revenues from our non-banking business increased by 8.8%, mainly due to the growth in the selling area of our retail businesses, as well as the positive same store sales (SSS) growth experienced by various of our businesses, in particular by Sodimac and Tottus Peru and Tottus Chile with 10.8%, 8.5%, and 7.9% respectively.

Income from our banking operations grew by 8.3% during the first quarter, in line with the growth experienced by our consumer portfolio, especially by Banco Falabella Chile and Peru. It is worth mentioning that the level of growth of the 3 countries continued to show some slowdown compared to the first quarters of 2012, in line with the company´s policy of maintaining controlled risk levels.

Consolidated gross margin for the period was 34.2%, 160 basis points higher than the same quarter of 2012, while gross profit increased by 14.0% reaching MCLP 507,758 (MMUS$ 1,075). Gross margin improvement was mainly driven by our non-banking business in particular by our department stores, home improvement and CMR Chile. Within our banking businesses gross margin improvement was driven by the results of our operations in Colombia.

The SG&A expenses as a percentage of revenues showed a slight increase from 24.0% to 24.2%. On the one hand this is explained by higher logistics expenses, mainly at Sodimac Chile and Falabella Chile and also by increased remunerations expenses, due to rises in salary. On the other hand it is explained by the high number of new stores that are still in the process of "maturing".

As a result the first quarter´s consolidated EBITDA amounted to MCLP187,971 (MMUS$ 398), achieving an increase of 23.5% in the period, while EBITDA margin rose by 150 basis points, reaching 12.7%.

Operating income for the first quarter amounted to MCLP148,721 (MMUS$ 315), a 25.7% increase when compared to the same period of 2012. Operating margin for the period was 10.0%, 140 basis points higher year-over-year.

2. Non Operating Income

The non-operating result for the quarter was a loss of MCLP 17,631 (MUS$ 37), implying a reduction of loss of 13.2% regarding the same period of 2012. This effect mainly results from lower financial expenses, given lower inflation in Chile affecting our debt in UF,[1] and an increase of financial income, due to higher levels of cash and cash equivalents. Income tax increased by 70.2% year-over-year, due to an increase in the Chilean income tax rate, rising from 18.5% to 20% and due to a lower impact of monetary correction.

As a result, net profit in the period amounted to MCLP 93,848 (MMUS$ 199), increasing by 30.1% year-over-year.

[1] Indicated in the consolidated financial statements, line "Profit (Loss) from inflation-indexed assets and liabilities".

3. Consolidated Balance

Non-banking business current assets decreased by MCLP $57,615 compared to December 2012, especially due to the decreases in cash and cash equivalents, trade and other accounts receivables and inventories. Meanwhile non-banking business non-current assets grew by MCLP $26,899, explained by higher investment properties and property, plants and equipment (PP&E). This latter effect over compensated the decrease in non-current accounts receivables. Meanwhile, total assets of banking operations increased by MCLP $161,597, given the rise in transactions with settlement in progress, cash and bank deposits and investment securities available for sale. As a result, total assets increased by MCLP 130,881.

Non-banking business current liabilities decreased by MCLP 211,745, explained by lower other current financial liabilities and trade accounts payable and other accounts payable, while the non-banking operations non-current liabilities saw an increase of MCLP 85,994, mainly due to higher other non-financial current liabilities and deferred tax liabilities. On the other hand, the total liabilities of banking operations grew by MCLP 175,485 compared to December 2012, because of an increase in transactions with settlement in progress as well in deposits and other term deposits. As a result, total liabilities increased by MCLP 49,735.

III. Main Events during the Period

- During the quarter 3 stores were opened across the region,
  - Tottus opened a new store in Chile n March, in the neighbourhood of Vitacura (Santiago), with a selling area of 1,960m^2.
  - Sodimac opened a new store in Ate, Peru, in March, with a selling surface of approximately 8,900 m^2. Moreover, during the same month Sodimac opened a new store in the town Castro, located in the south of Chile, with a selling area of approximately of 9,000 m^2, after having closed a small expo of Sodimac in this town.

- Furthermore, we opened 3 new standalone stores within the region. In Chile, we opened the first Desigual store of South America, an exclusive brand that was already offered in our departement stores. Additionally there was a new Mossimo store opened in Mall Plaza El Trébol. In Peru we opened a Benetton store in the Boulevard of Jockey Plaza.

- March 26th 2013, Banco Falabella Peru issued 2 bonds in the Peruvian market:
  - A bond denominated in Peruvian soles amounting to 75 million soles, with a maturity term of 7 years and an interest rate of 5.22%
  - A bond denominated in US$ amounting to MMUS$ 10, a maturity term of 5 years and an interest rate of 4.5%

Recent Events

- April 30th 2013, SACI Falabella launched its first international bond, amounting to a total of approximately MMUS$ 700, under the SEC regulations 144A. This launch includes two tranches: one in US$, amounting to MMUS$ 500, 10 years maturity with an interest rate of 3.86% and the other one in CLP amounting to MCLP 94,589, 10 years maturity with an interest rate of 6.5%. The launch of the tranche in Chilean pesos, was the first issuance of a private Chilean corporation in a local currency abroad.
- We opened three new stores: Falabella Lima Norte in Peru, Falabella Parque Caracolí in Colombia and Tottus in Cañete in Peru.

IV. Retail Indicators

1. Retail Business Revenues

Retail Revenues 1Q 2013[2] (MUS$)

(Nominal Chilean pesos, translated to USD at the observed exchange rate of April 1st 2013)

RETAIL REVENUES	1Q '12	1Q '13	Var. 13/12	Var. Local Currency[3]
CHILE				
Department Stores	517	533	3,2%	3,2%
Home Improvement	859	923	7,4%	7,4%
Supermarkets	222	258	16,3%	16,3%
PERU				
Department Stores	184	201	9,1%	8,6%
Home Improvement	126	145	14,8%	14,4%
Supermarkets	191	225	17,9%	17,5%
ARGENTINA				
Department Stores	128	128	0,4%	20,2%
Home Improvement	51	62	23,5%	47,9%
COLOMBIA				
Department Stores	110	127	15,8%	20,5%
Home Improvement	319	344	7,8%	11,1%

Same Store Sales (SSS)[4] Growth

(All growths have been calculated in nominal terms and in local currency of each country)

SAME STORE SALES	2012				2012	2013
	1Q	2Q	3Q	4Q		1Q
CHILE						
Department Stores Chile	9,4%	1,6%	0,2%	2,0%	3,0%	-0,6%
Home Improvement Chile	10,6%	11,8%	10,9%	5,7%	9,6%	3,4%
Supermarkets Chile	9,5%	7,5%	9,0%	6,4%	8,0%	8,0%
PERU						
Department Stores Peru	12,0%	5,8%	10,8%	5,6%	8,1%	1,5%
Home Improvement Peru	15,7%	7,4%	14,1%	17,3%	13,8%	10,8%
Supermarkets Peru	15,0%	10,9%	19,6%	12,8%	14,4%	8,5%
ARGENTINA						
Department Stores Argentina	20,5%	12,0%	15,6%	19,0%	16,7%	20,1%
Home Improvement Argentina	27,4%	36,0%	25,7%	17,9%	25,9%	31,1%
COLOMBIA						
Department Stores Colombia	19,9%	12,3%	7,6%	0,0%	8,1%	-0,4%
Home Improvement Colombia	8,8%	3,9%	1,7%	-0,9%	3,1%	-2,2%

[2] Excludes revenue from credit business.

[3] Sales variation in local currency does not reflect the effects of the exchange rate in the translations of the financial statements.

[4] From the first quarter of 2013 on, SSS include revenues generated by our online channel (applying to the businesses where this operation is implemented). Figures of the previous quarters were corrected in order to show this adjustment, and therefore differ from earlier published quarterly reports.

2. Number of Stores and Selling Area of Retail Businesses [5]

Sales Area	March 2012		March 2013	
	Area (m^2)	Stores	Area (m^2)	Stores
Chile				
Department Stores	240.564	36	257.941	38
Expos Falabella Retail	2.201	4	3.051	4
Home Improvement	593.862	71	657.427	80
Supermarkets	136.908	37	156.865	44
Peru				
Department Stores	117.517	18	128.061	19
Home Improvement	136.922	18	145.819	19
Supermarkets	129.040	30	140.345	33
Argentina				
Department Stores	59.148	11	59.148	11
Home Improvement	65.185	6	74.785	7
Colombia				
Department Stores	69.152	11	91.236	14
Home Improvement	250.202	24	295.777	29
Total Stores	**1.800.702**	**266**	**2.010.455**	**298**

3. Number of Shopping Malls and GLA of Real Estate Operators[6]

GLA	March 2012		March 2013	
	Area (m^2)	Shopping Malls	Area (m^2)	Shopping Malls
Mall Plaza - Chile	893.000	11	1.027.000	13
Soc. Rentas Falabella - Chile	174.686	7	174.686	7
Aventura Plaza - Peru	184.000	3	229.000	4
Open Plaza - Peru	205.604	7	205.604	7
Mall Plaza - Colombia	0	0	25.000	1
Total Real Estate	**1.457.290**	**28**	**1.661.290**	**32**

Furthermore, the group owns approximately 480,000 m^2 of additional GLA in free standing locations in Falabella, Sodimac and Tottus.

[5] Selling area information as of March 2012 may differ from the information revealed in the 1st Quarter Earnings Report, given the area recount our subsidiaries do periodically.

[6] Sociedad de Rentas includes Power Centers (locations where there are 2 formats of the group as anchors and smaller shops) and Shopping Centers (locations with 3 formats of the group as anchors as well as smaller shops) other than those operated by Mall Plaza.

4. Sales per Square Meter of Retail Businesses

Sales per square meter – 1Q 2013[7] (US$ / m^2)

	1Q '12	1Q '13	Var. 13/12
CHILE			
Department Stores	2.137	2.053	-3,9%
Home Improvement	1.461	1.413	-3,3%
Supermarkets	1.623	1.658	2,2%
PERU			
Department Stores	1.569	1.571	0,1%
Home Improvement	938	1.023	9,0%
Supermarkets	1.572	1.661	5,7%
ARGENTINA			
Department Stores	2.167	2.175	0,4%
Home Improvement	775	835	7,6%
COLOMBIA			
Department Stores	1.592	1.397	-12,2%
Home Improvement	1.303	1.164	-10,7%
TOTAL	**1.522**	**1.478**	**-2,9%**

[7] Revenues divided by average area of the period. Amounts in dollars in both periods were translated at observed exchange rate of 2013, and therefore, the observed variation corresponds to the variation in Chilean pesos and not in local currency.

V. Credit Indicators

1. Loans Portfolio[8 9]

CREDIT INFORMATION			1Q'12	2Q'12	3Q'12	4Q'12	1Q'13
CHILE CMR (Card)	TOTAL LOANS	M CLP	1.062.622	1.047.342	998.000	1.014.272	953.839
	PROVISIONS	M CLP	-45.582	-51.105	-50.866	-46.972	-43.716
	WRITE-OFFS	M CLP	16.040	34.454	56.555	76.925	18.978
	OPEN ACCOUNTS (with balance)	#	2.075.779	2.084.857	2.064.315	2.090.173	2.057.981
	DURATION	MONTHS	4,6	4,6	4,4	4,0	3,8
	AVERAGE LOAN	CLP	511.626	502.357	483.453	485.257	463.483
PERU BANK (Card)	TOTAL LOANS	M SOL	1.868	2.121	2.204	2.335	2.256
	PROVISIONS	M SOL	-138	-148	-152	-165	-169
	WRITE-OFFS	M SOL	23	53	80	103	33
	OPEN ACCOUNTS (with balance)	#	913.705	950.534	921.032	949.012	949.032
	CONSUMER FINANCE LOANS	M SOL	1.855	2.109	2.192	2.324	2.242
	DURATION	MONTHS	9,1	9,2	9,5	9,0	9,3
	AVERAGE LOAN	SOL	2.044	2.231	2.393	2.460	2.377
COLOMBIA BANK (Card)	TOTAL LOANS	M COP	990.669	1.056.028	1.051.451	1.073.011	1.013.531
	PROVISIONS	M COP	-62.941	-76.592	-78.833	-80.174	-77.071
	WRITE-OFFS	M COP	9.573	21.016	39.073	59.087	20.226
	OPEN ACCOUNTS (with balance)	#	627.528	649.497	671.201	697.003	691.111
	CONSUMER FINANCE LOANS	M COP	990.669	1.056.028	1.051.451	1.073.011	1.013.531
	DURATION	MONTHS	8	7	7	7	6,6
	AVERAGE LOAN	COP	1.578.685	1.625.917	1.566.522	1.539.464	1.466.524
CMR ARGENTINA (Card)	TOTAL LOANS	M ARG	1.020,1	1.053,7	1.050,4	1.207,9	1.275,9
	PROVISIONS	M ARG	-23,71	-28,09	-26,67	-28,98	-31,04
	WRITE-OFFS	M ARG	5,69	12,83	25,13	34,11	10,59
	OPEN ACCOUNTS (with balance)	#	524.596	515.349	504.812	515.785	515.364
	DURATION	MONTHS	3	3	3	3	3,6
	AVERAGE LOAN	ARG	1.945	2.045	2.081	2.342	2.476
CHILE BANK	TOTAL LOANS	M CLP	976.831	1.022.622	1.049.888	1.078.520	1.102.124
	PROVISIONS	M CLP	-31.811	-34.013	-37.558	-42.140	-42.905
	WRITE-OFFS	M CLP	9.984	19.938	30.260	40.671	11.455

2. CMR Card Sales

% of Total Sales with CMR[10]

	1Q 2012	1H 2012	9M 2012	2012	1Q 2013
Department Stores Chile	56,6%	57,5%	57,9%	57,5%	55,8%
Home Improvement Chile	31,0%	31,2%	31,6%	32,1%	30,6%
Supermarkets Chile	18,8%	19,3%	19,5%	19,7%	16,8%
Retail Peru (Saga, Sodimac & Tottus)	44,8%	47,3%	47,0%	47,4%	42,7%
Retail Argentina (Falabella & Sodimac)	38,6%	36,8%	35,7%	35,2%	36,6%
Retail Colombia (Falabella & Sodimac)	25,1%	26,1%	25,5%	26,0%	23,7%

[8] **a**. Loan Portfolio of CMR Chile, considers auto loan balance. New auto loans are now part of Banco Falabella portfolio.
b. Provisions of Banco Falabella Chile include additional provisions suggested by SBIF (Superintendent of Banks and Financial Institutions of Chile) presented as liabilities.

[9] From the first quarter of 2013 on, the indicator average duration is replaced by the indicator duration, calculated as monthly measure (Macaulay duration), assuming a revolving expiration of 30 days.

[10] 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

During the first quarter the operating results of department stores in Chile showed a strong increase of 531.5% year-over-year. This is mainly due to a higher gross margin and revenues during the period, which overcompensated the increase in SG&A expenses. The positive trend of the gross margin, which increased by 380 basis points, reaching 29.2%, was a result of a conservative procurement policy which helped reduce promotional activities in comparison to the first quarter of 2012. Revenue growth was mainly driven by our online channel, where we achieved an increase of more than 30% during the first quarter, and by the revenues, generated by the 2 new stores opened during the last 12 months.

The operating result of the home improvement business unit during the first quarter of 2013, declined by 0.7% year-over-year, primarily due to higher sales, general and administration expenses, which offset increased revenues and gross margin improvement. Higher revenues for the quarter, which grew by 7.4%, were a result of an increased selling area and SSS growth. A higher proportion of retail sales of the total mix as well as a higher proportion of imported products explained the improvement in gross margin of 210 basis points. This increased proportion of imported products in the sales mix, negatively impacted expenses producing increased expenses in logistics, due to increased freight cost and higher warehouses rent expenses. In addition, increased salaries during the period as a result of pay raises introduced during the second half of 2012 also had a negative impact in SG&A.

Regarding Tottus, the trend of the last quarter of 2012 continued and its operating income showed strong growth in the first quarter, as a result of increase in operating income and SG&A expenses growing less than revenues. The 16.3% increase in revenues in the first quarter, resulted from a 14.6% growth in sales area and positive SSS growth. The lower growth of expenses was a result of increased logistics efficiency and a decrease in advertising expenses as a percentage of revenues. As a result, operating margin increased by 120 basis points.

As for CMR Chile, operating income increased by 831.5% compared to the first quarter of 2012. This was primarily due to the provision of MCLP 20.749 realized during the first quarter of 2012 resulting from the unlawful appropriation of funds by MisCuentas.com. Furthermore the comany reached a higher gross margin, due to reduced provision levels (compared to the fourth quarter of 2012), together with lower funding costs and fees. This increase in gross margin compensated lower revenues caused by a lower level of loans over the previous quarters.

Finally, the operating result of Plaza S.A. during the first quarter of 2013 grew by 14.3%, mainly due to higher revenues, which overcompensated the increase of SG&A expenses. Increased revenues resulted on the one hand from an increased gross leasable area, as we added 2 shopping malls in Chile, in addition to the opening of the first shopping mall in Colombia and on the other hand renting rates were updated. With regard to expenses, the new shopping malls which are still “maturing”, show higher proportional expenses than “mature” shopping malls, due to the higher growth of SG&A expenses.

Operating Income 1Q 2013 (MMUS$)

MUS$ & % Revenues	Departament Stores			Home Improvement			Supermarkets		
	1Q '12	1Q '13	Var %	1Q '12	1Q '13	Var %	1Q '12	1Q '13	Var %
Revenues	517,2	533,5	3,2%	859,1	922,6	7,4%	222,2	258,5	16,3%
Gross Margin	25,4%	29,2%	18,7%	27,5%	29,6%	15,5%	23,9%	24,0%	17,0%
SGA w/o Depreciation	-23,6%	-25,2%	10,1%	-17,9%	-20,5%	23,2%	-21,5%	-20,4%	10,4%
EBITDA	1,8%	4,0%	132,4%	9,6%	9,1%	1,1%	2,4%	3,6%	75,6%
Operating Profit (Loss)	*0,4%*	*2,4%*	*531,5%*	*8,1%*	*7,5%*	*-0,7%*	*-0,4%*	*0,8%*	*NA*

MUS$ & % Revenues	Promotora CMR			Plaza S.A.		
	1Q '12	1Q '13	Var %	1Q '12	1Q '13	Var %
Revenues	162,1	156,2	-3,6%	77,7	92,8	19,4%
Gross Margin	37,9%	47,3%	20,4%	83,6%	81,1%	15,8%
SGA w/o Depreciation	-33,9%	-8,9%	-74,6%	-10,9%	-11,4%	25,8%
EBITDA	4,0%	38,4%	831,5%	83,8%	80,9%	15,3%
Operating Profit (Loss)	*4,0%*	*38,4%*	*831,5%*	*72,8%*	*69,6%*	*14,3%*

2. International Operations

Operating income obtained by our businesses in Peru grew by 12.7% during this period, compared with the first quarter of 2012. This is mainly explained by the operating income growth of all of our business units and gross margin improvement experienced in our department stores and home improvement businesses. Higher revenues during the period are, in part, result of the larger sales area, which grew by 8.0% and positive SSS growth showed by all businesses in the country, particularly Tottus and Sodimac.
Falabella earned a higher gross margin as a result of less promotional sales compared to the the same quarter of 2012.

During the first quarter, Argentina´s operating results showed year-over-year increase reverting the operating loss of the first quarter of 2012. Growth showed by the businesses during this period was lower than the ones in previous quarters, due to the devaluation of the local currency against the Chilean peso, the currency in which we consolidate our results. Higher revenues obtained, as a result of SSS as well as a new Sodimac store opened during the third quarter, together with increased gross margin of Falabella and CMR, overcompensated increased expenses of the period, as a consequence of inflationary pressure observed within this country.

Operating results in Colombia showed a decrease of 24.6%, due to increased SG&A expenses, which could not be compensated by the achieved growth in revenues and gross margin. It worth mentioning that revenues growth in the quarter is lower than the growth observed in the last quarters, due to the deceleration in the Colombian economy in the last two quarters. On the other hand, the increased gross margin in Banco Falabella is mainly explained by lower provisions. Finally, due to three new stores that are still maturing explain higher SG&A.

Operating Income 1Q 2013 (MMUS$)[11]

MUS$ & % Revenues	Peru			Argentina			Colombia		
	1Q '12	1Q '13	Var %	1Q '12	1Q '13	Var %	1Q '12	1Q '13	Var %
Revenues	566,6	640,5	13,0%	201,0	215,5	7,2%	161,4	183,0	13,4%
Gross Margin	28,7%	29,7%	17,4%	36,4%	37,9%	11,7%	35,1%	36,0%	16,3%
SGA w/o Depreciation	-19,1%	-20,4%	20,4%	-34,9%	-36,2%	11,3%	-28,6%	-30,1%	19,2%
EBITDA	9,5%	9,4%	11,2%	1,5%	1,7%	21,3%	6,5%	5,9%	3,4%
Operating Profit (Loss)	*6,7%*	*6,7%*	*12,7%*	*-0,3%*	*0,1%*	*NA*	*3,6%*	*2,4%*	*-24,6%*

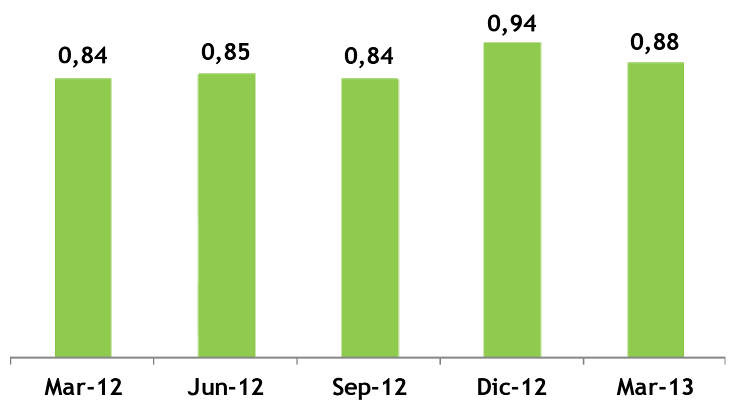
[11] Operating income includes banking business in Peru and Colombia and credit business in Argentina.

VII. Financial Structure

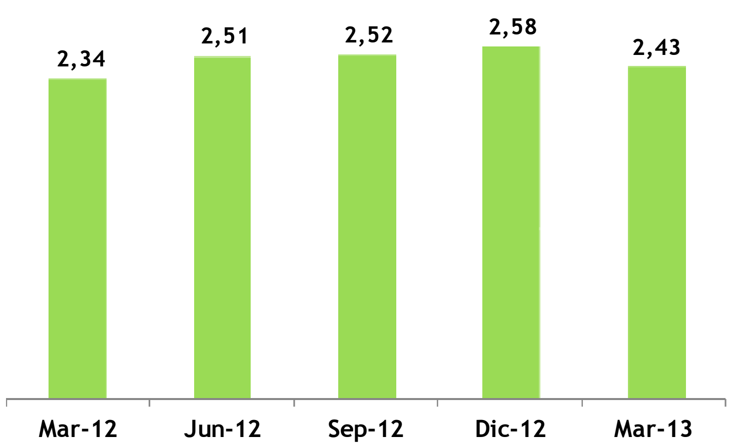
The total liabilities as of March 31st, 2013 amounted to MCLP 5.214.582 (MMUS$11.047). This implies a Leverage[12] of 1.47 times.

The Leverage of Non-Banking businesses[13] amounts to 0.88. Considering the financial debt[14] of the non-banking businesses, the ratio of Financial Debt / EBITDA amounts to 2.43.

Leverage Non-Banking Operations



Net Financial Debt / EBITDA Non-Banking Operations



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[12] Consolidated Leverage = Total Consolidated Liabilities divided by Total Equity

[13] Non-Banking Operations Leverage = Total Non-Banking Operations Liabilities divided by Total Equity.

[14] Non-Banking Business Financial Debt= Total Non-Bank Operations Liabilities divided by Total Non-Banking Operations Equity.

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

Income Statement	Cumulative January - March 2013 M$	Cumulative January - March 2012 M$
Non- Banking Business		
Revenues	1.376.111.575	1.265.233.223
Costs of sales	(923.192.200)	(868.792.088)
Gross Profit	**452.919.375**	**396.441.135**
Distribution Costs	(21.815.110)	(18.366.029)
Administrative expenses	(277.428.655)	(256.136.928)
Other expenses	(21.718.305)	(19.540.557)
Other profit (losses)	(933.474)	(192.568)
Financial income	1.734.659	1.034.058
Finance costs	(20.843.206)	(20.097.201)
Share of profit (loss) of associates accounted for using the equity method	4.962.241	6.002.943
Foreign currency exchange differences	(1.306.708)	282.309
Profit (Loss) from inflation-indexed assets and liabilities	(1.294.072)	(7.401.518)
Profit (loss) before taxes	**114.276.745**	**82.025.644**
Income tax expenses	(22.246.391)	(11.642.944)
Profit (loss) from Non-Banking Business	**92.030.354**	**70.382.700**
Banking Operations	-	-
Interest revenues	84.862.804	78.102.427
Interest expenses	(26.623.035)	(27.144.317)
Net Interest Revenues	**58.239.769**	**50.958.110**
Fee income	20.407.844	19.027.013
Fee expenses	(5.356.037)	(4.000.652)
Net Fee Revenues	**15.051.807**	**15.026.361**
Net income of financial operations	4.611.332	2.560.277
Profit (loss) from exchange operations	(285.489)	903.813
Other operating income	597.713	637.571
Provisions for loan losses	(23.556.834)	(21.414.772)
Total Net Operating Income	**54.658.298**	**48.671.360**
Employee remunerations and expenses	(16.197.635)	(14.058.104)
Administrative expenses	(16.779.678)	(14.865.311)
Depreciation and amortization	(3.049.460)	(2.375.795)
Other operating expenses	(1.868.029)	(1.420.466)
Total Operating Expenses	**(37.894.802)**	**(32.719.676)**
Operating Income	**16.763.496**	**15.951.684**
Income attributable to investments in companies	49.881	51.627
Income before Income taxes	**16.813.377**	**16.003.311**
Income tax expenses	(4.816.819)	(4.253.674)
Net Income from Banking Operations	**11.996.558**	**11.749.637**
Profit (Loss)	**104.026.912**	**82.132.337**
Prfofit (Loss) attributable to:		
Owners of parent company	93.848.330	72.108.612
Non-controlling interests	10.178.582	10.023.725
Net Income	**104.026.912**	**82.132.337**
Earnings per share		
Earnings per share		
Earnings (loss) per share from continued operations	0,0388	0,0299
Earnings (loss) per share	**0,0388**	**0,0299**
Earnings per diluted share	0	0
Earnings (loss) per diluted share from continued operations	0,0388	0,0300
Earnings (loss) per diluted share	**0,0388**	**0,0300**

	SACI Falabella 31-Mar-13 M$	SACI Falabella 31-Dic-12 M$
Assets		
Non-Banking Business		
Current Assets		
Cash and cash equivalents	182.394.317	196.947.322
Other current financial assets	31.140.512	27.114.616
Other current non financial assets	58.981.466	55.467.152
Current Trade and other accounts receivable	1.144.554.788	1.200.280.775
Current accounts receivable from related companies	5.139.662	1.731.157
Inventory	755.340.578	762.392.640
Tax Assets	54.058.230	45.250.886
Non-current assets classified as held for sale	4.862.554	-
Total Current Assets	**2.236.472.107**	**2.294.086.618**
Non- Current Assets		
Other non-current financial assets	2.070.841	1.263.823
Other non- current assets	20.610.746	21.285.678
Non-current accounts receivables	143.589.987	183.963.533
Non-current accounts receivable from related parties	99.190	152.885
Investments accounted for using the equity method	131.421.129	135.636.671
Intangible assets other than goodwill	164.177.506	164.472.911
Goodwill	260.273.967	260.273.967
Property, Plant and Equipment	1.495.144.667	1.483.181.464
Investment properties	1.805.131.477	1.745.895.892
Deferred tax assets	48.798.214	48.292.370
Total Non-current Assets	**4.071.317.724**	**4.044.419.194**
Total Non-Banking Business Assets	**6.307.789.831**	**6.338.505.812**
Assets from Banking Operations		
Cash and bank deposits	295.552.965	213.614.465
Transactions with settlement in progress	101.031.597	8.345.725
Financial assets held for trading	240.929.213	277.278.831
Financial derivative contracts	1.075.134	1.993.650
Due form banks	-	-
Loans and accounts receivable from clients	1.684.763.464	1.712.831.227
Investment securities available for sale	61.117.553	11.408.395
Investments in other companies	1.541.692	1.900.837
Intangibles	11.610.903	12.028.323
Property, Plant and Equipment	35.067.062	34.932.237
Current taxes	3.322.336	1.747.961
Deferred taxes	12.205.442	11.552.465
Other assets	14.093.443	13.079.745
Total Banking Operations Assets	**2.462.310.804**	**2.300.713.861**
Total Assets	**8.770.100.635**	**8.639.219.673**

	SACI Falabella 31-Mar-13 M$	SACI Falabella 31-Dic-12 M$
Net Equity and Liabilities		
Non-Banking Business		
Current Liabilities		
Other current financial liabilities	429.419.262	554.711.146
Current trade and other accounts payable	716.157.343	763.710.346
Current accounts payable to related companies	1.923.453	2.738.135
Other current provisions	5.646.537	5.335.294
Current tax liabilities	11.195.037	15.236.455
Employee benefits provisions	68.011.442	78.450.109
Other current non-financial liabilities	78.632.567	102.548.855
Total Current Liabilities	**1.310.985.641**	**1.522.730.340**
Non-Current Liabilities		
Other non-current financial liabilities	1.530.019.873	1.448.357.171
Other non-current liabilities	1.284.214	1.291.587
Other long term provisions	699.003	642.123
Deferred tax liabilitles	248.795.611	246.097.658
Non-current employee benefits provisions	13.315.073	13.613.418
Other non-current non-financial liabilities	23.481.835	21.737.428
Total Non-Current Liabilities	**1.817.733.879**	**1.731.739.385**
Total Non-Banking Business Liabilities	**3.128.719.520**	**3.254.469.725**
Liabilities from Banking Operations	-	-
Deposits and others	123.714.216	123.394.143
Transactions with settlement in progress	110.381.864	5.203.546
Repurchase agreements and securities lending	-	-
Time deposits and other term deposits	1.256.496.097	1.198.011.919
Financial derivative contracts	1.576.359	2.801.133
Liabilities with other banks	13.201.249	15.702.165
Debt instruments issued	322.459.987	310.170.091
Other financial liabilities	204.741.688	207.040.530
Current taxes	2.977.165	1.991.446
Deferred tax liabilitles	5.300.277	4.994.054
Provisions	4.740.145	4.154.988
Other liabilities	40.273.334	36.912.888
Total Banking Business Liabilities	**2.085.862.381**	**1.910.376.903**
Total Liabilities	**5.214.581.901**	**5.164.846.628**
Equity		
Issued capital	530.068.102	529.966.655
Retained earnings	2.493.673.437	2.399.825.107
Share premium	60.578.450	59.607.170
Other reserves	(127.486.056)	(104.129.160)
Equity attributable to the owners of the parent conpany	**2.956.833.933**	**2.885.269.772**
Non-controlling interests	598.684.801	589.103.273
Total Equity	**3.555.518.734**	**3.474.373.045**
Total Equity and Liabilities	**8.770.100.635**	**8.639.219.673**

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