EARNINGS REPORT

3rd QUARTER 2014

SACI FALABELLA

Index

Notes:

- All dollar figures are calculated based on the Exchange rate as of October 1st 2014: 599.22 $/US$.
- Symbols for quarters: 1Q, 2Q, 3Q and 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; TH: thousand.

I. Executive Summary

Consolidated revenues for the third quarter amounted to MCLP 1,771,659 (MUS$ 2,957), achieving a growth of 10.5% compared to the same quarter of 2013. In turn, accumulated revenues to September 2014 increased 13.9% during the period, reaching MCLP 5,315,052 (MUS$ 8,870). Higher revenues are explained by the 6.4% sales area growth compared to September 2013 (excluding Maestro's sales area) due to the addition of 26 new stores in the region, along with the positive same store sales (SSS) achieved in Falabella in Colombia, Tottus in Chile and in Peru and Sodimac in Chile. We highlight the growth achieved by our international operations, which represented more than 40% of revenues in the third quarter.

Meanwhile, the consolidated loan portfolio as of September 30, 2014 amounted to MCLP 3,465,096 (MUS$ 5,783), being 17.5% higher than in September 2013, highlighting the growth observed in Colombia and Chile. Banco Falabella's loan portfolio in Colombia grew 22.4% (in local currency) during the period, while loans in CMR Chile were 17.0% higher than in September 2013, explained by the portfolio recovery when compared to last year's performance, together with higher sales in third party stores. In both cases, during this quarter the loan portfolio reached their highest growth rate in the year. In turn, Banco Falabella's loan portfolio in Chile increased 10.4%, being above the industry average growth.

Gross profit for the quarter amounted to MCLP 620,870 (MUS$ 1,036), increasing 11.4% in the period. Meanwhile, the gross margin expanded 30 basis points compared to the same quarter of 2013. The latter is explained by a better performance observed in the financial business in Chile, given the observed growth in the business, together with a lower cost of funding and the positive effect that inflation has on the Bank's results. Additionally, a higher gross margin was observed in Sodimac Chile and Falabella Colombia.

In the third quarter of 2014, the selling and administrative (SG&A) expenses amounted to MCLP 464,511 (MUS$ 775), being 12.8% higher compared to the same quarter of 2013, resulting in an increase of 50 basis points as a percentage of revenues. The higher expenses are mainly explained by Sodimac Brazil and Uruguay, due to the future entry of the Homecenter format in both countries, additional expenses generated by the Maestro acquisition, and higher expenses in Falabella Chile. In turn, the improvements observed mainly in Sodimac and Tottus in Chile and our operations in Colombia did not compensate the higher expenses.

As a result, consolidated EBITDA in the third quarter amounted to MCLP 207,898 (MUS$ 347), increasing 10.2% in the quarter, maintaining a stable EBITDA margin compared to the same period of last year. In the cumulative nine months, EBITDA resulted in MCLP 659,007 (MUS$ 1,100).

Meanwhile, the consolidated net profit for the quarter showed an increase of 6.4%, amounting to MCLP 81,512 (MUS$ 136), while in the cumulative nine months it amounted to MCLP 279,941 (MUS$ 467). It should be noted that the net income does not include asset revaluation of our investments properties, as the company adopted the historic cost method in 2009.

During the third quarter, a new Sodimac store was opened in the region, in La Plata, Argentina.

On September 17, it was announced that our Sodimac Peru subsidiary acquired Maestro, a home improvement chain in Peru. The asset and liability accounts of Maestro are consolidated as of September 30 in the financial statements of the company. However, the income statement and cash flow generated by Maestro will be primarily reflected in the fourth quarter.

II. Consolidated Income Statement as of September 30th, 2014

Consolidated Income Statement 3Q 2014 (MCLP)

	3Q13	% Rev.	3Q14	% Rev.	Var %
Revenues of Non-Banking Operations	1,484,435		1,633,859		10.1%
Revenues of Banking Operations	118,925		137,800		15.9%
Total Revenues	**1,603,360**		**1,771,659**		**10.5%**
COGS of Non-Banking Operations	(993,702)	-66.9%	(1,098,204)	-67.2%	10.5%
COGS of Banking Operations	(52,503)	-44.1%	(52,585)	-38.2%	0.2%
Gross Profit	**557,155**	**34.7%**	**620,870**	**35.0%**	**11.4%**
SG&A Expenses	(411,675)	-25.7%	(464,511)	-26.2%	12.8%
Operational Income	**145,480**	**9.1%**	**156,359**	**8.8%**	**7.5%**
Depreciation + Amortization	43,153	2.7%	51,540	2.9%	19.4%
EBITDA	**188,634**	**11.8%**	**207,898**	**11.7%**	**10.2%**
Other Income / (Expenses)	233		41		-82.5%
Net Financial Income / (Cost)	(33,112)		(32,773)		-1.0%
Profit / (Loss) in Associates	4,338		6,513		50.2%
Exchange Rate Differences	(1,977)		(7,293)		268.9%
Non-Operating Profit	**(30,519)**	**-1.9%**	**(33,512)**	**-1.9%**	**9.8%**
Profit Before Tax Expenses	**114,962**	**7.2%**	**122,847**	**6.9%**	**6.9%**
Income Tax	(26,856)		(29,330)		9.2%
Minority Interest	(11,516)		(12,005)		4.2%
Net Profit / (Loss)	**76,590**	**4.8%**	**81,512**	**4.6%**	**6.4%**

Consolidated Income Statement 9M 2014 (MCLP)

	9M13	% Rev.	9M14	% Rev.	Var %
Revenues of Non-Banking Operations	4,332,319		4,910,333		13.3%
Revenues of Banking Operations	334,356		404,719		21.0%
Total Revenues	**4,666,675**		**5,315,052**		**13.9%**
COGS of Non-Banking Operations	(2,887,473)	-66.6%	(3,290,846)	-67.0%	14.0%
COGS of Banking Operations	(154,799)	-46.3%	(176,445)	-43.6%	14.0%
Gross Profit	**1,624,403**	**34.8%**	**1,847,761**	**34.8%**	**13.8%**
SG&A Expenses	(1,155,846)	-24.8%	(1,337,176)	-25.2%	15.7%
Operational Income	**468,557**	**10.0%**	**510,585**	**9.6%**	**9.0%**
Depreciation + Amortization	123,085	2.6%	148,422	2.8%	20.6%
EBITDA	**591,642**	**12.7%**	**659,007**	**12.4%**	**11.4%**
Other Income / (Expenses)	(1,879)		(239)		-87.3%
Net Financial Income / (Cost)	(72,541)		(112,942)		55.7%
Profit / (Loss) in Associates	12,425		17,763		43.0%
Exchange Rate Differences	(7,816)		(22,811)		191.8%
Non-Operating Profit	**(69,811)**	**-1.5%**	**(118,229)**	**-2.2%**	**69.4%**
Profit Before Tax Expenses	**398,746**	**8.5%**	**392,357**	**7.4%**	**-1.6%**
Income Tax	(88,658)		(81,780)		-7.8%
Minority Interest	(34,286)		(30,636)		-10.6%
Net Profit / (Loss)	**275,802**	**5.9%**	**279,941**	**5.3%**	**1.5%**

Summary of Consolidated Balance Sheet – September 2014 (MCLP)

	12/31/2013	9/30/2014	Var %
Current Assets - Non Banking Business	2,697,925	2,747,180	1.8%
Non Current Assets - Non Banking Business	4,474,362	5,332,419	19.2%
Total Assets - Non Banking Business	**7,172,286**	**8,079,599**	12.7%
Total Assets - Banking Business	**2,717,515**	**2,955,373**	8.8%
Total Assets	**9,889,802**	**11,034,971**	**11.6%**
Current Liabialities - Non Banking Business	1,752,340	1,628,280	-7.1%
Non Current Liabialities - Non Banking Business	2,013,722	2,788,276	38.5%
Total Liabialities - Non Banking Business	**3,766,062**	**4,416,557**	**17.3%**
Total Liabialities - Banking Business	**2,299,094**	**2,474,408**	**7.6%**
Total Liabialities	**6,065,156**	**6,890,964**	**13.6%**
Total Equity	**3,824,646**	**4,144,007**	**8.4%**
Total Liabilities + Equity	**9,889,802**	**11,034,971**	**11.6%**

Summary of Consolidated Cash Flow – September 2014 (MCLP)

	9/30/2013	9/30/2014	Var %
Cash flow from operating activities - Non Banking Business	267,111	175,168	-34.4%
Cash flow from operating activities - Banking Business	(16,618)	34,667	-308.6%
Cash flow from operating activities	**250,494**	**209,835**	**-16.2%**
Cash flow from investment activities - Non Banking Business	(376,316)	(690,306)	83.4%
Cash flow from investment activities - Banking Business	(37,726)	(71,758)	90.2%
Cash flow from investment activities	**(414,042)**	**(762,064)**	**84.1%**
Cash flow from financing activities - Non Banking Business	36,800	344,075	835.0%
Cash flow from financing activities - Banking Business	28,969	(26,166)	-190.3%
Cash flow from financing activities	**65,769**	**317,909**	**383.4%**
Decrease in cash and cash equivalents	**(97,779)**	**(234,320)**	**139.6%**
Impact of exchange rate differences on cash and cash equivalents	6,450	23,684	267.2%
Cash and cash equivalents at the beginning of the period	**568,306**	**647,690**	**14.0%**
Cash and cash equivalents at the end of the period	**476,977**	**437,054**	**-8.4%**

1. Operational Result

During the third quarter of 2014, revenues from non-banking businesses showed an increase of 10.1%, mainly due to the higher sales area, adding 141,000 m^2 in the last twelve months with the opening of 26 new stores (does not consider Maestro stores). Additionally, it is worth noting the SSS growth of Falabella in Colombia (8.3%), Tottus in Chile (5.6%), Tottus in Peru (4.9%) and Sodimac in Chile (4.6%), together with the growth observed in CMR Chile given the increase in the loan portfolio. In the case of Falabella Chile, the negative SSS growth is mainly explained by the negative rebound after the World Cup, which involved a greater consumption in the second quarter, together with a lower level of consumption observed in the past months. In turn, in the case of Falabella and Sodimac in Peru, the slowdown is due to lower consumption in the country, in addition to weather factors which did not match the apparel seasonal demand in the case of Falabella, and due to sales cannibalization in some stores in the second case.

Regarding our banking operations, revenues increased 15.9% compared to the third quarter of 2013, highlighting the growth in Banco Falabella in Colombia, in line with the higher level of consumer loan growth.

In turn, gross profit grew 11.4%, amounting to MCLP 620,870 (MUS$ 1,036), while the gross margin increased 0.3 percentage points compared to the same period from the previous year. The latter is explained by the improved results obtained in CMR and Banco Falabella in Chile, as growth in the financial revenues was accompanied by a lower funding cost. In addition, Sodimac Chile contributed to the higher gross margin obtained given higher retail sales, and also Falabella Colombia, as a result of higher sales of seasonal apparel.

SG&A expenses, measured as a percentage of consolidated revenues, increased 0.5 percentage points. This is explained, in part, by higher expenses in our Brazilian operation, given the incorporation of the Sodimac team which is focused on developing the Homecenter format, as well as higher costs involved in the next opening of Sodimac stores in Uruguay, which would be the first stores in that country. Moreover, additional expenses were generated due to the Maestro acquisition. Lastly, the increase in SG&A expenses is also explained by a higher proportional expense in remunerations and leasing in Falabella Chile, given that the lower sales growth did not allow a higher dilution of fixed costs.

Consolidated EBITDA in the third quarter amounted to MCLP 207,898 (MUS$ 347), while at a cumulative level it resulted in MCLP 659,007 (MUS$ 1,100).

Finally, operating income for the period amounted to MCLP 156,359 (MUS$ 261), implying an increase of 7.5% compared to the same quarter of 2013. In the cumulative nine months of 2014, operating income reached MCLP 510,585 (MUS$ 852).

2. Non-Operating Result

The non-operating result was a loss of MCLP 33,512 (MUS$ 56), implying a further loss of 9.8% compared to the third quarter of 2013. This was mainly due to the greater exchange rate difference that occurred in the period, resulting in a loss of MCLP 7,293 (MUS$ 12), which is explained by the negative impact that had the financial debt taken by Sodimac Peru in order to finance the Maestro acquisition.

As a result, the net income for the period amounted to MCLP 81,512 (MUS$ 136), or 6.4% higher than the same period of last year. It should be noted that the net income does not include asset revaluation of our investment properties, as the company adopted the historic cost method in 2009.

3. Consolidated Balance

Non-banking business current assets increased MCLP 49,255 compared to year-end 2013, mainly as a result of a higher level of inventory and higher current financial assets, explained mostly by the incorporation of Maestro. In turn, non-banking non-current assets grew by MCLP 858,057, explained by the increase in property, plant and equipment and investment properties. This is explained, on one side, to the Maestro's incorporation, given that it owns 15 stores as well as 119.000m^2 of landbank which have not been developed yet, and on the other side, to the investments done by the Company in new stores and shopping malls. Additionally, the increase in non-current assets is also due to higher intangible assets and a higher goodwill generated by the Maestro acquisition, which represent the synergies and economies of scale expected from the combination of both businesses. Meanwhile, total assets of banking operations increased MCLP 237,857 compared to December 2013, mainly due to the increase in loans and accounts receivable from clients, due to the higher level of activity in this business. As a result, total assets increased by MCLP 1,145,170.

Non-banking business current liabilities decreased by MCLP 124,059 compared to December 2013, mainly explained by lower trade and other accounts payable; meanwhile the non-banking operations non-current liabilities increased by MCLP 774,554 due to higher non-current financial liabilities, considering the bond issuance done by SACI Falabella in the local market, as well as the additional financial debt required to finance the Maestro acquisition, which is added to the consolidation of the financial debt of Maestro. Additionally, it is worth noting the increase in deferred tax liabilities as a result of the tax reform adopted in Chile. In turn, the total liabilities of banking operations increased by MCLP 175,313 due to higher deposits and other time deposits. As a result, total liabilities increased by MCLP 825,808.

On September 29, 2014, the Tax Reform Act was enacted in Chile. This law considers a progressive increase in the income tax rate for the business years 2014, 2015, 2016, 2017 and 2018 onwards, from the current rate of 20%, to 21%, 22.5%, 24%, 25.5% and 27%, under the Partially Integrated System. As stated in this regulation, given that the company is registered as a public corporation, it will adopt the Partially Integrated System, except in the case that in the future in a Shareholders Meeting it is agreed to opt for the Accrued Income System.

Deferred tax assets and liabilities should be measured at the tax rates expected to be applied in the period when the asset is realized or the liability is settled. To this end, the company has established and implemented the current rates under the Partially Integrated System.

On October 17, 2014 the SVS issued a notice in which it established that the differences in assets and liabilities for deferred taxes which are caused by the increase in the tax rate should be booked in the respective year in equity. As a consequence, the increase in income tax resulted in a decrease in “Total equity” of MCLP 76,018, consisting of a decrease in “Equity attributable to owners of the parent” for MCLP 46,717 and a decrease in “Non-Controlling interests” of MCLP 29,301. The effect on non-banking business amounted to a loss in “Total equity” of CLP 76,494, and in banking business amounted to an increase in “Total equity” of MCLP 476.

4. Consolidated Cash Flow

Non-banking business cash flow from operating activities decreased MCLP 91,943 as of September 2014 compared to the same period of the previous year, due to a higher investment in working capital given the increase in inventory and the decrease in accounts payable. Banking operations cash flow from operating activities increased MCLP 51,284, due to the net decrease in instruments held for trading, which more than compensated the increase in loans and accounts receivable from clients, given the higher level of activity observed in the operation of the three countries. As a result, consolidated cash flow from operating activities decreased by MCLP 40,658 during the period.

Non-banking business cash flow from investing activities was MCLP 313,989 more negative compared to the same period from the previous year, mainly due to the acquisition of Maestro by our subsidiary Sodimac Peru, together with a higher investment in fixed assets in line with the company’s growth plan of new stores and shopping malls. In turn, banking operations cash flow from investing activities was MCLP 34,032 more negative compared to the same period of the previous year, mainly due to higher investment in securities available for sale. As a result, cash flow from consolidated investing activities as of September 2014 was MCLP 348,022 more negative compared to the same period in 2013.

Non-banking business cash flow from financing activities as of September 2014 was MCLP 307,275 greater than the previous year, mainly explained by the higher financing debt obtained after the Maestro acquisition. In turn, cash flow from financing activities of banking business was MCLP 55,135 lower than the same period of 2013 given the higher payment in bond than the previous year. As a result, cash flow from financing activities increased by MCLP 252,140 during the period.

III. Main Events during the Period

- In the second quarter one new store was opened in the region: Sodimac opened a store in the city of La Plata, Argentina, with a sales area of 9,500 m^2.

- This quarter, we added a new brand to our portfolio of exclusive brands. We brought Etam to Chile, leading lingerie brand in market share in France, which can be found exclusively in our Parque Arauco, Costanera Center and La Dehesa stores.

- During this period, the implementation of our new paintings system, Microblend, was completed in the 33 Sodimac stores we operate in Colombia, and implementation started in Chile as well. This new system allows us to offer the customer a better product, with multiple options for brightness, quality and color range among other features.

- On September 17, the acquisition of Maestro, a home improvement chain in Peru, by our subsidiary Sodimac Peru was announced. The transaction was for 100% of the shares for an amount of MPEN 1,404 (approx. MUS$ 492) through the Lima Stock Exchange, obtaining control of the company. As of that date, Maestro operated 30 stores, 17 of them in Lima with the remaining located in provinces, with about 169,000 m^2 of sales area. Maestro owns 15 out of the 30 stores that operates, as well as 119,000 m^2 of landbank available for future real estate developments. At the end of 2013, the company reported sales of MPEN 1,469 (MUS$ 514).

- On September 10, SACI Falabella issued a corporate bond in the local market for a total amount of UF 5 million (approximately MUS$ 204), which was divided into two series: the L series, totaling UF 2 million for a period of 6 years with 3 years grace and a rate of 2.20%; and the M series, for a total of UF 3 million for a period of 23 years with 20 years grace and a rate of 3.20%.

Recent Events

- In October, the Company founded in 1889 by Don Salvatore Falabella, celebrated its 125th anniversary.

- On October 27, SACI Falabella issued its second international bond for a total amount of approximately MUS$ 400, under the SEC Rule 144A. This placement has a 10-year term with an interest rate of 4.38%.

- Since the beginning of the fourth quarter to date, four stores were opened in the region:
  - Tottus opened two stores in Peru: a HiperBodega Precio Uno store in the city of Lima, with a sales area of 2,000 m^2, being the first store under this new format; and a new Tottus store in the city of Chepén with a sales area of 2,500 m^2.

  - Falabella opened two new stores, one in the city of San Fernando in Chile, with a sales area of 4,000 m^2, replacing the expo that was in that city which was closed in June; and another store in the city of Ibague, in Colombia, with a sales area of 6,600 m^2.

IV. Retail Indicators

1. Retail Business Revenues

Retail Revenues 3Q 2014[1] (MUS$)

(Nominal Chilean pesos, translated to USD at the observed Exchange rate of October 1st 2014)

	3Q13	3Q14	Var %	Var Local Currency[2] %
Chile				
Department Stores	472.7	467.2	-1.1%	-1.1%
Home Improvement	666.0	700.2	5.1%	5.1%
Supermarkets	222.7	255.3	14.6%	14.6%
Peru				
Department Stores	194.0	228.6	17.8%	5.1%
Home Improvement	122.3	146.3	19.7%	6.5%
Supermarkets	189.1	242.0	28.0%	14.0%
Colombia				
Department Stores	109.7	134.3	22.4%	6.4%
Home Improvement	292.9	369.4	26.1%	9.8%
Argentina				
Department Stores	136.3	128.6	-5.6%	23.9%
Home Improvement	52.9	57.4	8.6%	42.1%
Brazil				
Home Improvement	82.8	92.7	12.0%	-2.4%

Retail Revenues 9M 2014[1] (MUS$)

(Nominal Chilean pesos, translated to USD at the observed Exchange rate of October 1st 2014)

	9M13	9M14	Var %	Var Local Currency[2] %
Chile				
Department Stores	1,408.7	1,498.1	6.3%	6.3%
Home Improvement	2,108.2	2,241.1	6.3%	6.3%
Supermarkets	638.3	731.9	14.7%	14.7%
Peru				
Department Stores	556.7	645.9	16.0%	5.9%
Home Improvement	347.2	421.3	21.3%	10.9%
Supermarkets	551.0	697.5	26.6%	15.6%
Colombia				
Department Stores	327.5	395.9	20.9%	9.6%
Home Improvement	818.2	996.9	21.8%	10.4%
Argentina				
Department Stores	370.5	379.3	2.4%	35.0%
Home Improvement	151.6	151.3	-0.2%	31.2%
Brazil				
Home Improvement		251.3		

[1] Revenues from the credit business are excluded.
[2] Sales variation in local currency does not reflect the effects of exchange rate in the translations of the financial statements.

Same Store Sales (SSS) Nominal Growth[3]

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

	1Q13	2Q13	3Q13	4Q13	2013	1Q14	2Q14	3Q14	9M13	9M14
Chile										
Department Stores	-0.8%	4.7%	8.2%	7.4%	5.0%	5.5%	5.6%	-4.5%	3.9%	2.4%
Home Improvement	3.4%	7.7%	6.4%	8.9%	6.6%	7.2%	3.7%	4.6%	5.8%	5.3%
Supermarkets	8.0%	8.5%	6.7%	8.4%	7.4%	6.5%	9.3%	5.6%	7.3%	7.1%
Peru										
Department Stores	4.6%	6.5%	1.5%	9.6%	5.9%	3.7%	-3.4%	0.6%	4.2%	-0.4%
Home Improvement	10.8%	10.9%	8.7%	0.1%	7.3%	-2.5%	-5.0%	-4.4%	10.1%	-3.8%
Supermarkets	8.5%	7.2%	2.7%	9.2%	6.9%	5.3%	6.4%	4.9%	5.9%	5.4%
Colombia										
Department Stores	-0.4%	-3.2%	-7.4%	9.1%	0.8%	2.2%	13.6%	8.3%	-3.9%	8.0%
Home Improvement	-2.2%	0.5%	2.2%	6.5%	1.9%	5.9%	4.1%	5.8%	0.2%	5.7%
Argentina										
Department Stores	24.3%	31.1%	32.0%	36.1%	31.6%	35.6%	31.3%	20.5%	29.4%	28.7%
Home Improvement	31.1%	25.9%	21.8%	38.8%	29.7%	28.8%	21.4%	27.1%	26.0%	25.7%
Brazil										
Home Improvement			8.5%	13.3%		2.2%	-0.9%	-4.4%		-1.3%

[3] SSS include revenues generated by our online channel (applying to the businesses where this operation is implemented).

2. Number of Stores and Selling Area of Retail Businesses [4,5]

	September 2013		September 2014	
	Sales Area (m²)	Stores (#)	Sales Area (m²)	Stores (#)
Chile				
Department Stores	274,182	42	295,391	43
Home Improvement	663,785	81	680,201	83
Supermarkets	157,296	44	174,634	49
Peru				
Department Stores	138,187	21	152,932	24
Home Improvement	166,955	22	356,780	55
Supermarkets	147,548	36	165,142	43
Colombia				
Department Stores	95,405	15	95,405	15
Home Improvement	302,713	30	322,609	33
Argentina				
Department Stores	57,762	11	57,762	11
Home Improvement	74,785	7	84,289	8
Brazil				
Home Improvement			121,706	57
Total Stores	**2,197,547**	**365**	**2,506,851**	**421**

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

	September 2013		September 2014	
	GLA (m²)	Shopping Malls (#)	GLA (m²)	Shopping Malls (#)
Chile				
Mall Plaza	1,033,000	13	1,136,000	14
Open Plaza	158,661	7	234,897	10
Peru				
Aventura Plaza	236,000	4	261,000	4
Open Plaza	206,000	7	231,000	8
Colombia				
Mall Plaza	26,000	1	26,000	1
Total Real Estate	**1,659,661**	**32**	**1,888,897**	**37**

Furthermore, the Group owns 904,000 m^2 of additional GLA in free standing locations of Falabella, Sodimac, Tottus and Maestro stores.

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[4] During 2013 selling area was recounted, which may imply differences in the information published in September 2013.

[5] Sales area includes cash registering points. In particular, in the case of Tottus, represents approximately 7% of total area. This definition may differ from how other peers in the industry measure their area, and thus, it has implications when comparing sales per square meter.

[6] Open Plaza includes Power Centers (locations where there are 2 anchor stores and smaller shops) and Shopping Centers (locations with 3 anchor stores as well as smaller shops).

4. Sales per Square Meter of Retail Businesses[7]

Sales per Square Meter – 3Q 2014 (US$ / m²)

	3Q13	3Q14	Var %
Chile			
Department Stores	1,738	1,581	-9.0%
Home Improvement	1,008	1,029	2.1%
Supermarkets	1,418	1,462	3.1%
Peru			
Department Stores	1,431	1,495	4.4%
Home Improvement	778	778	0.0%
Supermarkets	1,292	1,465	13.4%
Colombia			
Department Stores	1,150	1,407	22.4%
Home Improvement	968	1,145	18.4%
Argentina			
Department Stores	2,359	2,227	-5.6%
Home Improvement	707	722	2.2%
Brazil			
Home Improvement		762	
TOTAL	**1,199**	**1,209**	**0.8%**

Sales per Square Meter – 9M 2014 (US$ / m²)

	9M13	9M14	Var %
Chile			
Department Stores	5,169	5,162	-0.1%
Home Improvement	3,204	3,306	3.2%
Supermarkets	4,089	4,232	3.5%
Peru			
Department Stores	4,120	4,280	3.9%
Home Improvement	2,273	2,290	0.8%
Supermarkets	3,827	4,289	12.1%
Colombia			
Department Stores	3,510	4,111	17.1%
Home Improvement	2,732	3,110	13.8%
Argentina			
Department Stores	6,322	6,472	2.4%
Home Improvement	2,027	1,903	-6.1%
Brazil			
Home Improvement		2,096	
TOTAL	**3,559**	**3,720**	**4.5%**

[7] Revenues divided by average area of the period. Amounts in dollars in both periods were translated at observed exchange rate of 2014, and therefore, the observed variation corresponds to the variation in Chilean pesos and not in local currency. The "Total" sale per square meter corresponds to the sum of revenues from the retail business divided by the average total surface of stores for the period. Revenues of each business unit include all channels, including the online channel.

V. Financial Indicators

1. Credit Indicators[8,9,10]

		1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14
CMR Chile (Card)								
Total Gross Loans	M CLP	953,839	935,829	950,348	1,064,208	1,068,905	1,089,630	1,111,685
Provisions (stock)	M CLP	(43,716)	(41,265)	(39,314)	(38,389)	(39,911)	(44,582)	(44,333)
Net Write-Offs	M CLP	18,978	31,410	43,263	53,458	10,536	18,369	30,695
Open Accounts (with balance)	#	2,057,981	2,048,103	2,042,300	2,115,368	2,113,062	2,140,968	2,160,685
Duration	Months	3.8	4.0	4.0	3.9	3.7	4.0	4.2
Average Loan	CLP	463,483	456,924	465,332	503,084	505,856	508,943	514,506
Banco Falabella Chile								
Total Gross Loans	M CLP	1,102,124	1,121,957	1,157,741	1,201,103	1,240,235	1,264,198	1,278,712
Provisions (stock)	M CLP	(42,905)	(45,745)	(48,779)	(52,152)	(60,483)	(64,174)	(63,639)
Net Write-Offs	M CLP	11,455	19,853	28,237	36,758	8,600	18,570	27,121
Banco Falabella Peru								
Total Gross Loans	M SOL	2,256	2,421	2,393	2,529	2,479	2,620	2,712
Provisions (stock)	M SOL	(169)	(179)	(178)	(185)	(187)	(193)	(201)
Net Write-Offs	M SOL	33	64	93	116	26	52	75
Open Accounts (with balance)	#	949,032	948,672	928,817	939,214	922,545	948,773	965,078
Duration	Months	9.3	9.2	9.5	9.3	9.8	9.6	10.0
Average Consumer Loan	SOL	2,377	2,552	2,576	2,693	2,687	2,761	2,810
Banco Falabella Colombia								
Total Gross Loans	M COP	1,013,531	1,039,039	1,064,317	1,160,903	1,153,403	1,245,697	1,302,908
Provisions (stock)	M COP	(77,071)	(77,995)	(75,088)	(75,050)	(76,451)	(78,869)	(79,971)
Net Write-Offs	M COP	20,226	37,547	52,871	67,448	12,788	24,812	36,689
Open Accounts (with balance)	#	649,450	669,422	692,658	730,740	722,110	739,464	749,720
Duration	Months	6.6	6.7	6.8	6.9	7.6	7.8	7.9
Average Consumer Loan	COP	1,560,598	1,552,144	1,536,570	1,588,667	1,597,268	1,684,595	1,737,859
CMR Argentina (Card)								
Total Gross Loans	M ARS	1,276	1,397	1,508	1,847	1,797	1,819	1,714
Provisions (stock)	M ARS	(31)	(32)	(28)	(32)	(43)	(53)	(47)
Net Write-Offs	M ARS	11	20	29	25	(9)	(21)	(37)
Open Accounts (with balance)	#	515,364	519,358	519,748	546,385	539,337	525,034	512,447
Duration	Months	3.6	3.4	3.6	3.6	3.1	2.8	2.6
Average Consumer Loan	ARS	2,476	2,690	2,900	3,380	3,332	3,465	3,345

2. Percentage of Sales with CMR Card[11]

	1Q 13	1H 13	9M 13	2013	1Q 14	1H 14	9M14
Chile - Falabella	54.3%	55.6%	56.1%	56.1%	54.3%	55.6%	55.7%
Chile - Sodimac	30.9%	30.8%	30.5%	30.9%	29.8%	30.0%	29.6%
Chile - Tottus	16.8%	17.6%	18.1%	18.5%	17.4%	18.4%	19.3%
Peru - Saga, Sodimac & Tottus	43.2%	45.5%	44.9%	44.6%	39.5%	41.9%	41.8%
Colombia - Falabella & Sodimac	23.8%	24.8%	24.6%	25.0%	22.6%	24.7%	24.6%
Argentina - Falabella & Sodimac	36.6%	35.0%	34.0%	32.9%	27.7%	29.7%	28.5%

[8] a. Loan Portfolio of CMR Chile, also considers car 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] Duration is calculated on a monthly basis according to the Macaulay duration, assuming a revolving term of 30 days.

[10] Total Gross Loans include all types of loans, not only consumer loans.

[11] Percentage of Sales using CMR corresponds to sales using CMR compared to total sales of each business.

VI. Other Indicators

Average Collection Period,[12] Average Payment Period and Inventory Turnover 3Q 2014[13]

Chile

	Dep. Stores		Home Improv.		Supermarkets		Promotora CMR		Plaza S.A.	
	3Q13	3Q14	3Q13	3Q14	3Q13	3Q14	3Q13	3Q14	3Q13	3Q14
Average Collection Period	6.4	6.5	27.0	25.6	3.0	1.4	120.0	126.0	35.9	36.0
Average Payment Period	42.4	54.8	50.8	44.0	46.9	44.8	NA	NA	NA	NA
Inventory Turnover (days)	78.0	91.0	79.5	79.3	34.8	39.2	NA	NA	NA	NA

International Operations[14]

	Peru		Argentina		Colombia		Brazil	
	3Q13	3Q14	3Q13	3Q14	3Q13	3Q14	3Q13	3Q14
Average Collection Period	2.5	4.4	9.5	15.3	4.6	5.7	62.7	64.7
Average Payment Period	48.8	58.7	68.9	66.3	55.3	82.4	111.0	89.7
Inventory Turnover (day)	81.1	101.1	99.0	131.5	117.1	122.1	108.1	107.5

The indicators for the third quarter of 2014 for Peru are affected because of Maestro consolidating into the Balance Sheet, but it does not consolidate in the Income Statement.

[12] Collection period does not include accounts receivable of our retail businesses (department stores, home improvement and supermarkets) with Promotora CMR S.A.

[13] Average Collection Period: Current trade and other receivables * 90 / Revenues
Average Payable Period: Current trade and other current accounts payable * 90 / Cost of sales
Inventory turnover: Inventories (net) * 90 / Cost of sales

[14] Indicators include our retail operations only

VII. Operating Results by Business Unit

During the third quarter of 2014, revenues from department stores in Chile decreased 1.1%, mainly due to lower levels of consumption observed in the country, along with the negative rebound involving the World Cup in the second quarter, given higher traffic levels due to purchases associated with this event. Meanwhile, the 0.5 percentage point decline in the gross margin was due to the increased promotional activity, in line with lower demand. In turn, SG&A expenses increased 6.9% due to higher remuneration expenses. As a result, the operating margin was -1.8% in the quarter.

In the home improvement business in Chile, the operating result increased 41.3% in the third quarter, mainly due to increased revenue levels, a higher gross margin and a lower level of expenses compared to the same quarter of 2013. A higher proportion of retail sales in the total sales mix of the company explained the improvement in gross margin, while the decrease of 70 basis points in the SG&A expenses as a percentage of revenues is the result of the cost control policy that the Company has been implementing for several quarters, achieving greater efficiencies in logistics and labor mainly.

The operating result in Tottus Chile achieved a growth of 92.4% compared to the same quarter last year, as a result of increased revenues and lower growth in SG&A expenses, which offset the lower gross margin of the period. The 11% growth in the sales area over the last twelve months, along with the sustained positive SSS achieved during the period explains the 14.6% growth in revenues. On the other hand, higher labor productivity resulted in lower remuneration expenses, in addition to higher efficiencies in maintenance services and lags in marketing campaigns, which resulted in lower expenses, contributing to achieve a drop of 100 basis points in the SG&A expenses as a percentage of revenues.

In the third quarter, the operating result in CMR Chile increased 21.5%, due to higher revenues in the period together with a higher gross margin, managing to offset higher selling and administrative expenses for the period, which were mainly due to a greater expense in remunerations. The increase of 2.8 percentage points in the gross margin is mainly explained by lower funding costs due to debt refinancing, while growth in revenues is the result of a higher volume of loans in the latest quarters - explained in large part by the recent portfolio recovery after having been affected by the Dicom Law during the second half of 2012 and much of 2013 - together with the increase in merchant fee revenues.

The operating result for Banco Falabella in Chile during the third quarter increased 140.5% over the same period of the previous year. This is mainly explained by the 13.4 percentage point increase in the gross margin, as a result of the positive effect of inflation due to a greater position of assets in UF, together with lower funding costs. The higher gross margin managed to offset the increase in SG&A expenses as a percentage of sales, given the higher number of openings of new branches and the incorporation of technological improvements in the operation.

The operating result for Plaza S.A. increased 7.7% in the third quarter, mainly due to higher revenues during the period, which managed to offset the drop of 2.9 percentage points in the gross margin and the increase of 2.0 percentage points in the SG&A expenses, both affected by the opening of shopping centers that are still at maturity stage, mainly Mall Plaza Egaña.

Consolidated revenues from our operations in Peru achieved a growth of 21.7% in the third quarter, due to the opening of 13 new stores in the country, along with the positive SSS growth achieved in Tottus. In turn, Falabella and Sodimac saw SSS growth partly affected by the slowdown in consumption in the country, along with lower demand in apparel due to a warmer than average winter in the first case, and sales cannibalization in some of our stores in the second case. It is worth noting that the 30 Maestro stores acquired in September do not consolidate in the results of this quarter. Meanwhile, the gross margin declined 1.3 percentage points in the third quarter, mainly due to the lower gross margin obtained in Falabella and Tottus, due to higher promotional activity primarily on the apparel lines due to the slower demand as a result of weather issues. The selling and administrative expenses as a percentage of revenues remained flat compared to the third quarter of the previous year, noting improvements in all retail formats, primarily focused on labor productivity. As a result, operating result increased 2.9% in the period.

In the case of our Colombian operations, the operating result increased 162.4% compared to the third quarter of the previous year, due to higher revenues, highlighting the SSS growth of 8.3% in Falabella; the increase in gross margin and the lower SG&A expenses as a percentage of revenues. Regarding the higher gross margin, mainly explained by a better selling of seasonal apparel together with a lower level of promotions in Falabella. On the other hand, lower funding cost in the Bank also contributes to the gross margin expansion in the quarter. Lastly, we continue to see an improvement in the labor productivity measures that have been implementing, resulting in improved efficiency compared to previous years in the SG&A expenses.

Regarding Argentina, operating result increased 1.0% during the period, due to lower selling and administrative expenses, which more than offset the lower gross margin given the higher cost of imported goods. In the case of the SG&A expenses, despite the slowdown in revenues, they continue to dilute, achieving a decrease of 40 basis points as a percentage of sales due to increased productivity in labor among with lower marketing expenses in Falabella and CMR.

Lastly, revenues in our Brazilian operations increased 12.0%, however SSS were negatively affected by the World Cup, particularly in the month of July, together with a lower level of activity in the country. Regarding the EBITDA margin, the operation shows pressure compared to the previous year, showing an increase in selling and administrative expenses as a temporary effect of the incorporation of the Sodimac team, which is focused on developing the Homecenter format in this country.

Operating Results 3Q 2014 (MUS$)[15,16]

	Department Stores			Home Improvement			Supermarkets		
	3Q13	3Q14	Var %	3Q13	3Q14	Var %	3Q13	3Q14	Var %
Revenues	472.7	467.2	-1.1%	666.0	700.2	5.1%	222.7	255.3	14.6%
Gross Margin	28.0%	27.5%	-2.8%	28.2%	28.6%	6.4%	23.6%	23.2%	12.3%
SG&A (w/o dep.) Mrg.	(25.3%)	(27.3%)	6.9%	(23.6%)	(23.0%)	2.2%	(21.4%)	(20.4%)	9.1%
EBITDA Margin	2.7%	0.2%	-94.2%	4.9%	5.8%	26.1%	2.3%	2.8%	42.3%
Operating Margin	1.0%	(1.8%)	NA	2.9%	3.9%	41.3%	(0.6%)	(0.0%)	92.4%

	Promotora CMR			Plaza S.A.			Banco Falabella Chile		
	3Q13	3Q14	Var %	3Q13	3Q14	Var %	3Q13	3Q14	Var %
Revenues	120.3	137.3	14.1%	80.0	92.0	15.0%	97.1	104.5	7.6%
Gross Margin	50.9%	53.7%	20.5%	85.0%	82.0%	11.0%	43.0%	56.4%	41.2%
SG&A (w/o dep.) Mrg.	(9.8%)	(9.9%)	16.2%	(10.7%)	(12.7%)	36.7%	(31.4%)	(32.9%)	12.8%
EBITDA Margin	41.1%	43.8%	21.5%	84.7%	81.8%	11.0%	11.6%	23.5%	117.8%
Operating Margin	41.1%	43.8%	21.5%	73.7%	69.0%	7.7%	9.3%	20.8%	140.5%

	Peru			Colombia			Argentina			Brazil		
	3Q13	3Q14	Var %	3Q13	3Q14	Var %	3Q13	3Q14	Var %	3Q14	3Q14	Var %
Revenues	586.4	713.9	21.7%	154.6	195.6	26.5%	209.6	210.2	0.3%	82.8	92.7	12.0%
Gross Margin	32.9%	31.6%	16.9%	38.2%	40.4%	33.6%	41.3%	40.8%	-0.9%	33.2%	33.2%	12.0%
SG&A (w/o dep.) Mrg.	(20.2%)	(20.3%)	22.2%	(31.7%)	(30.6%)	22.0%	(36.0%)	(35.5%)	-0.9%	(25.3%)	(31.9%)	41.6%
EBITDA Margin	12.8%	11.4%	8.7%	6.5%	9.8%	90.6%	5.3%	5.2%	-0.7%	8.0%	1.3%	-81.7%
Operating Margin	10.3%	8.7%	2.9%	2.9%	5.9%	162.4%	3.9%	4.0%	1.0%	6.4%	(0.6%)	NA

[15] Operating results includes banking business in Peru and Colombia and credit business in Argentina.

[16] Variations presented in the Var % column correspond to changes in absolute amounts and not of margins over revenues.

Operating Results 9M 2014 (MUS$) [15, 16]

	Department Stores			Home Improvement			Supermarkets		
	9M13	9M14	Var %	9M13	9M14	Var %	9M13	9M14	Var %
Revenues	1,408.7	1,498.1	6.3%	2,108.2	2,241.1	6.3%	638.3	731.9	14.7%
Gross Margin	28.9%	28.7%	5.7%	28.9%	28.5%	4.9%	24.0%	23.9%	14.1%
SG&A (w/o dep.) Mrg.	(24.2%)	(25.8%)	13.1%	(21.8%)	(21.1%)	3.2%	(21.0%)	(20.8%)	13.5%
EBITDA Margin	4.6%	2.9%	-32.9%	7.3%	7.6%	10.1%	3.1%	3.2%	17.9%
Operating Margin	2.9%	1.1%	-60.7%	5.5%	5.8%	11.5%	0.2%	0.3%	60.4%

	Promotora CMR			Plaza S.A.			Banco Falabella Chile		
	9M13	9M14	Var %	9M13	9M14	Var %	9M13	9M14	Var %
Revenues	364.2	410.2	12.6%	233.5	270.1	15.7%	262.4	324.1	23.5%
Gross Margin	50.7%	51.7%	14.8%	83.1%	80.6%	12.3%	41.0%	46.4%	39.8%
SG&A (w/o dep.) Mrg.	(9.7%)	(9.7%)	12.6%	(11.0%)	(11.6%)	22.5%	(31.3%)	(29.3%)	15.8%
EBITDA Margin	41.0%	42.0%	15.4%	82.4%	81.0%	13.7%	9.7%	17.1%	116.9%
Operating Margin	41.0%	42.0%	15.4%	71.7%	68.7%	10.8%	7.3%	14.6%	148.3%

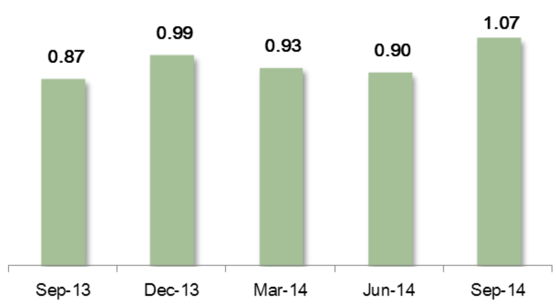
	Peru			Colombia			Argentina			Brazil
	9M13	9M14	Var %	9M13	9M14	Var %	9M13	9M14	Var %	9M14
Revenues	1,653.4	1,999.6	20.9%	460.9	563.2	22.2%	581.7	599.7	3.1%	251.3
Gross Margin	31.5%	30.5%	17.3%	37.2%	38.4%	26.0%	40.5%	41.0%	4.4%	31.9%
SG&A (w/o dep.) Mrg.	(20.4%)	(20.9%)	23.7%	(30.8%)	(30.1%)	19.5%	(35.9%)	(34.7%)	-0.4%	(31.0%)
EBITDA Margin	11.1%	9.7%	5.5%	6.5%	8.3%	56.9%	4.6%	6.3%	41.7%	0.9%
Operating Margin	8.5%	6.9%	-2.7%	3.1%	4.8%	90.3%	3.1%	5.0%	65.9%	(1.1%)

VIII. Financial Structure

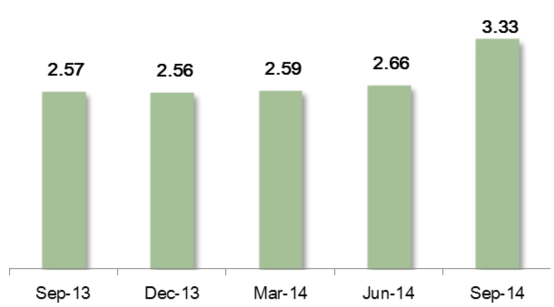
Total liabilities as of September 30th, 2014 amounted to MCLP 6,890,964 (MUS$ 11,500).

In turn, the Leverage of Non-Banking Business[17] amounts to 1.07. Considering the financial debt[18] of the non-banking business, the ratio of Net Financial Debt / EBITDA amounts to 3.33. It is worth noting that at September 30, 100% of Maestro's financial debt is consolidated, but the results generated by the Company are not. It is worth noting that at September 30th, 100% of Maestro's financial debt is consolidated, however the results generated by this company are not consolidating this quarter.

1. Leverage Non-Banking Operations



2. Net Financial Debt / EBITDA Non-Banking Operations

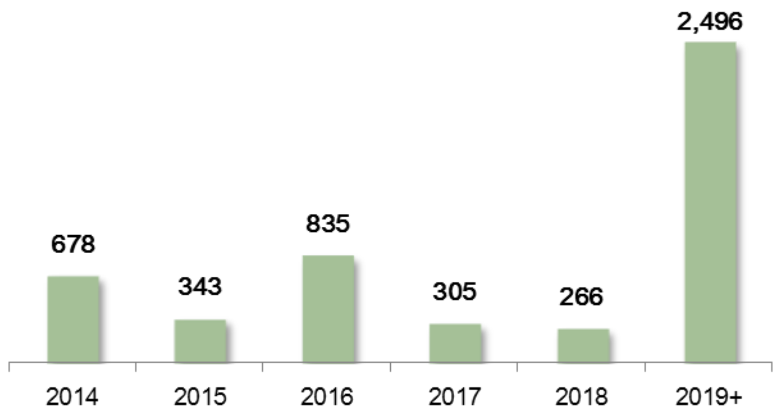


[17] Non-Banking Operations Leverage = Total Non-Banking Operations Liabilities divided by Total Equity.
[18] Non-Banking Business Financial Debt = Total Current Non-Bank Operations Liabilities + Total Non-Current Non-Banking Operations Liabilities.

3. Debt Maturity Profile [19, 20]

Total Consolidated Financial Debt (excluding banking operations): M US$ 4,922

(Millions of US$)



[19] Total Consolidated Financial Debt does not include the banking operations of the Group Falabella (Banco Falabella Chile, Banco Falabella Peru and Banco Falabella Colombia) or accrued interests, however it does include CMR in Chile and Argentina.

[20] Data in US$ converted at the closing exchange rate of June 2014 for each country.




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

	30-Sep-14	31-Dec-13
	TH$	TH$
Assets		
Non-banking Businesses		
Current assets		
Cash and cash equivalents	138,613,461	275,536,508
Other financial assets	96,394,181	31,092,383
Other non-financial assets	98,463,418	69,469,511
Trade and other accounts receivable	1,294,333,739	1,359,023,097
Accounts receivable from related parties	2,875,102	3,608,843
Inventory	1,062,978,213	916,670,685
Tax assets	52,955,031	42,523,671
Total of current assets different from those assets or disposal groups classified as held for sale	**2,746,613,145**	**2,697,924,698**
Non-current Assets classified as held for sale	566,766	0
Non-current assets or disposal groups classified as held for sale	**566,766**	**-**
Total Current Assets	**2,747,179,911**	**2,697,924,698**
Non-current Assets		
Other financial assets	183,924	183,129
Other non-financial assets	36,795,044	30,799,590
Accounts receivable	188,698,587	165,509,701
Investments accounted for using the equity method	177,912,688	148,775,246
Intangible assets other than goodwill	195,362,412	185,852,765
Goodwill	489,629,398	298,112,966
Property, plant and equipment	2,075,111,196	1,671,176,569
Investment properties	2,093,479,112	1,928,060,213
Deferred tax assets	75,246,428	45,891,584
Total Non-current Assets	**5,332,418,789**	**4,474,361,763**
Total Assets – Non-banking Business	**8,079,598,700**	**7,172,286,461**
Banking Services Assets (Presentation)		
Cash and bank deposits	192,509,742	342,345,059
Transactions with settlement in progress	147,365,867	47,396,787
Financial assets held for trading	62,450,369	83,084,118
Financial derivative contracts	16,291,048	6,607,804
Loans and accounts receivable from clients	2,107,007,266	1,886,630,217
Available for sale instruments	325,117,628	260,038,309
Investments in companies	1,882,721	1,621,617
Intangibles	23,033,456	19,978,641
Property, plant and equipment	37,092,493	36,175,090
Current taxes	1,205,034	288,608
Deferred taxes	21,597,755	16,752,822
Other assets	19,819,152	16,595,992
Total Bank Services Assets	**2,955,372,531**	**2,717,515,064**
Total Assets	**11,034,971,231**	**9,889,801,525**

	30-Sep-14	31-Dec-13
	TH$	TH$
Net Equity and Liabilities		
Non-banking Business		
Current Liabilities		
Other financial liabilities	627,540,991	641,297,879
Trade and other accounts payable	778,747,256	878,178,136
Accounts payable to related parties	1,946,883	3,089,892
Other current provisions	10,723,911	6,147,851
Current tax liabilities	21,047,729	20,186,730
Employee benefits provisions	103,811,414	93,750,401
Other non-financial liabilities	84,462,053	109,688,812
Total Current Liabilities	**1,628,280,237**	**1,752,339,701**
Non-current Liabilities		
Other financial liabilities	2,375,163,429	1,720,465,349
Other liabilities	2,380,710	2,300,188
Accounts payable to related parties	797,720	340,547
Other long-term provisions	5,474,267	4,839,707
Deferred tax liabilities	364,317,097	247,097,078
Employee benefits provision	16,201,869	14,934,866
Other non-financial liabilities	23,941,290	23,744,207
Total Non-current Liabilities	**2,788,276,382**	**2,013,721,942**
Total Non-banking Business Liabilities	**4,416,556,619**	**3,766,061,643**
Banking Services Liabilities (Presentation)		
Deposits and other demand liabilities	211,557,544	160,428,104
Transactions with settlement in progress	89,966,272	55,361,946
Time deposits and other term deposits	1,636,167,688	1,502,609,515
Financial derivative contracts	14,635,482	4,486,973
Due to banks	33,336,691	52,451,222
Debt instruments issued	244,493,149	277,114,232
Other financial obligations	179,988,063	188,589,350
Current taxes	5,620,294	3,846,203
Deferred taxes	8,354,234	6,650,643
Provisions	5,598,510	6,049,741
Other liabilities	44,689,643	41,506,288
Total Banking Services Liabilities	**2,474,407,570**	**2,299,094,217**
Total Liabilities	**6,890,964,189**	**6,065,155,860**
Net Equity		
Issued capital	533,409,643	530,806,267
Retained earnings	2,868,155,320	2,676,678,527
Share premium	93,482,329	67,679,807
Acciones propias en cartera	(1,866,984)	-
Other reserves	(41,054,734)	(123,136,318)
Equity attributable to owners of the parent	**3,452,125,574**	**3,152,028,283**
Non-controlling interests	691,881,468	672,617,382
Total Equity	**4,144,007,042**	**3,824,645,665**
Total Equity and Liabilities	**11,034,971,231**	**9,889,801,525**

	For the year ended as of 30-Sep-14	For the year ended as of 30-Sep-13
	TH$	TH$
Statement of Income		
Non-banking Business		
Revenue from continuing operations	4,910,332,987	4,332,318,782
Cost of sales	(3,290,845,769)	(2,887,472,678)
Gross Profit	**1,619,487,218**	**1,444,846,104**
Distribution costs	(61,123,998)	(56,658,377)
Administrative expenses	(1,025,894,072)	(894,839,863)
Other expenses, by function	(99,131,640)	(80,212,871)
Other gains (losses)	(239,231)	(1,878,734)
Financial income	15,076,588	10,335,300
Financial expenses	(99,667,916)	(74,006,669)
Equity interest in profits (losses) of associates accounted for using the equity method	17,471,681	12,271,067
Foreign currency translation	(22,810,567)	(7,816,462)
Income from indexation units	(28,350,981)	(8,869,602)
Profit (Loss), before Taxes	**314,817,082**	**343,169,893**
Income tax expense	(61,310,484)	(73,151,569)
Profit (loss) from Non-banking Business	**253,506,598**	**270,018,324**
Banking Services (Presentation)		
Interest and indexation revenue	326,385,359	266,467,129
Interest and indexation expenses	(94,701,152)	(83,051,273)
Net Income from Interest and Indexation	**231,684,207**	**183,415,856**
Fee revenue	76,097,928	65,974,185
Fee expenses	(20,233,299)	(15,886,069)
Net Fee Income	**55,864,629**	**50,088,116**
Net income from financial operations	5,372,818	4,115,598
Net exchange gains (losses)	1,996,641	6,753,775
Other operating income	2,235,769	1,914,673
Provision for loan losses	(68,880,063)	(66,731,073)
Total Operating Income, net	**228,274,001**	**179,556,945**
Employee remunerations and expenses	(60,681,834)	(50,773,579)
Administrative expenses	(71,638,441)	(56,991,442)
Depreciation and amortization	(11,040,509)	(8,958,532)
Other operating expenses	(7,665,410)	(7,411,221)
Total Operating Expenses	**(151,026,194)**	**(124,134,774)**
Operating Income	**77,247,807**	**55,422,171**
Income from equity method investments in companies	291,782	153,942
Income before Income Taxes	**77,539,589**	**55,576,113**
Income tax expense	(20,469,503)	(15,506,072)
Ganancia de negocios bancarios	**57,070,086**	**40,070,041**
Profit (Loss)	**310,576,684**	**310,088,365**
Profit (loss), Attributable to:		
Owners of the parent	279,940,970	275,802,349
Non-controlling interests	30,635,714	34,286,016
Profit (Loss)	**310,576,684**	**310,088,365**
Earnings per share		
Basic earnings per share		
Basic earnings (loss) per share from continuing operations	0.1151	0.1140
Basic Earnings (Loss) per Share	**0.1151**	**0.1140**
Diluted Earnings per Share		
From continuing operations	0.1148	0.1139
Diluted Earnings (Loss) per Share	**0.1148**	**0.1139**

	30-Sep-14	30-Sep-13
	TH$	TH$
Statement of cash flows		
Cash flows provided by (used in) operating activities		
Non-banking Business (Presentation)		
Classes of proceeds from operating activities		
Proceeds from sale of goods and providing services	5,880,542,914	5,196,867,848
Classes of payments		
Payment to suppliers for supplying goods and services	(4,558,704,464)	(4,009,271,531)
Payments to and on account of employees	(621,836,958)	(527,059,566)
Income taxes refunded (paid)	(69,353,726)	(76,880,148)
Other cash inflows (outflows)	(455,479,378)	(316,545,290)
Subtotal net cash flows provided by Non-banking Business operating activities	175,168,388	267,111,313
Banking Services (Presentation)		
Consolidated net income (loss) for the year	57,070,086	40,070,041
Charges (credits) to income that do not involve cash movements:		
Depreciation and amortization	11,040,509	8,958,532
Credit risk provision	68,880,063	66,731,073
Profit losses from equity method investments	(291,782)	(153,942)
Other charges (credits) that do not involve significant cash flow movements	6,355,232	4,151,436
Net change in interest, indexations and fees accrued on assets and liabilities	(4,465,200)	(817,368)
Net increase in loans and accounts receivable from clients	(240,246,211)	(192,277,465)
Net decrease in instruments held for trading	14,906,658	(127,444,192)
Increase in deposits and other demand obligations	24,579,611	17,843,383
Increase in repurchase agreements and share loans	133,558,173	159,966,307
Increase in obligations with banks	(19,114,531)	19,086,408
Other	(17,605,749)	(12,731,721)
Subtotal net cash flows provided by (used in) Banking Services operating activities	34,666,859	(16,617,508)
Net cash flows provided by operating activities	209,835,247	250,493,805
Cash flows provided by (used in) investing activities		
Non-banking Business (Presentation)		
Cash flows used to obtain control of subsidiaries and other businesses	(290,890,488)	(28,367,626)
Cash flows used in the purchase of non-controlling interests	-	(5,281,209)
Other charges on the sale of equity or debt instruments of other parties	-	5,000,000
Loans to related parties	47,905	(1,701,237)
Proceeds from disposal of property, plant and equipment	1,076,581	1,521,631
Additions to property, plant and equipment	(266,301,657)	(210,028,103)
Additions to intangible assets	(16,551,443)	(13,985,914)
Proceeds from other long-term assets	488,038	1,788,051
Additions to other long-term assets	(143,064,147)	(148,879,931)
Dividends received	4,540,803	6,332,666
Interest received	5,629,659	7,842,137
Other cash inflows (outflows)	14,719,229	9,443,209
Subtotal net cash flows used in investing activities in the Non-banking Business	(690,305,520)	(376,316,326)
Banking Services		
Net (Increase) decrease in investment securities available for sale	(38,446,778)	(7,071,319)
Additions to property, plant and equipment	(9,742,436)	(11,947,259)
Investments in associates	202,870	574,456
Other	(23,772,034)	(19,281,769)
Subtotal net cash flows provided by (used in) Banking Services investing activities	(71,758,378)	(37,725,891)
Net cash flows provided by (used in) investing activities	(762,063,898)	(414,042,217)
Cash flows provided by (used in) financing activities		
Non-banking Business		
Proceeds from issuance of shares	38,774,315	20,874,217
Payments to acquire own shares	(1,866,984)	-
Proceeds from long-term loans	718,924,813	526,329,899
Proceeds from short-term loans	1,266,886,124	881,265,378
Total proceeds from loans	1,985,810,937	1,407,595,277
Payment of loans	(1,491,915,161)	(1,255,880,547)
Payment of financial lease liabilities	(6,640,780)	(8,260,365)
Dividends paid	(117,208,595)	(89,490,539)
Interest paid	(61,915,187)	(39,184,090)
Other cash inflows (outflows)	(963,926)	1,146,042
Subtotal net cash flows provided by (used in) Non-banking Business financing activities	344,074,619	36,799,995
Banking Services (Presentation)		
Redemption of letters of credit	1,691,878	(7,294,130)
Bond payments and other long term loans	(36,569,611)	27,390,835
Other	8,711,922	8,872,474
Subtotal net cash flows provided by (used in) Banking Services financing activities	(26,165,811)	28,969,179
Net cash flows used in financing activities	317,908,808	65,769,174
Net increase in cash and cash equivalents, before the effect of changes in the exchange rate	(234,319,843)	(97,779,238)
Effects of changes in the exchange rate on cash and cash equivalents		
Effects of changes in the exchange rate on cash and cash equivalents	23,684,046	6,450,220
Net increase (decrease) in cash and cash equivalents	(210,635,797)	(91,329,018)
Cash and cash equivalents at beginning of period	647,689,942	568,305,938
Cash and cash equivalents at end of period	437,054,145	476,976,920

Cash Flow – Chilean Operations

September 2014	Department Stores	Home Improvement	Supermarkets	Promotora CMR	Plaza S.A.	Banco Falabella
Cash flow from operating activities	94,528	62,022	13,266	51,707	123,433	(14,579)
Cash flow from investing activities	(127,624)	(26,290)	(28,419)	(20,652)	(125,745)	(6,345)
Cash flow from financing activities	20,159	(39,960)	11,217	(23,596)	(81,986)	(17,854)
Increase (decrease) in cash and cash equivalents	(12,938)	(4,228)	(3,935)	7,460	(84,298)	(38,778)
Impact of exchange rate differences on cash and cash equivalents	37	357	5	29	219	0
Cash and cash equivalents at the beginning of the period	32,861	21,017	9,833	4,284	101,928	236,906
Cash and cash equivalents at the end of the period	19,961	17,145	5,902	11,773	17,849	198,128

September 2013	Department Stores	Home Improvement	Supermarkets	Promotora CMR	Plaza S.A.	Banco Falabella
Cash flow from operating activities	33,622	103,151	21,226	82,675	124,073	(22,606)
Cash flow from investing activities	(118,090)	(27,956)	(34,337)	11,294	(170,358)	(5,239)
Cash flow from financing activities	57,228	(81,752)	1,663	(97,937)	19,489	(11,135)
Increase (decrease) in cash and cash equivalents	(27,241)	(6,557)	(11,447)	(3,968)	(26,796)	(38,979)
Impact of exchange rate differences on cash and cash equivalents	194	216	(2)	0	(43)	0
Cash and cash equivalents at the beginning of the period	47,656	21,505	16,323	7,749	44,152	262,351
Cash and cash equivalents at the end of the period	20,610	15,163	4,875	3,782	17,313	223,371

Cash Flow – International Operations

September 2014	Peru	Colombia	Argentina	Brazil
Cash flow from operating activities	39,285	(23,804)	(6,317)	727
Cash flow from investing activities	(425,313)	(71,896)	(16,604)	(24,075)
Cash flow from financing activities	322,506	78,064	21,626	10,002
Increase (decrease) in cash and cash equivalents	(63,523)	(17,636)	(1,295)	(13,345)
Impact of exchange rate differences on cash and cash equivalents	18,714	2,598	(963)	1,994
Cash and cash equivalents at the beginning of the period	165,121	37,414	5,837	23,291
Cash and cash equivalents at the end of the period	120,312	22,375	3,579	11,941

September 2013	Peru	Colombia	Argentina	Brazil
Cash flow from operating activities	33,238	(27,217)	(16,897)	(12,625)
Cash flow from investing activities	(77,434)	(30,454)	(7,091)	(804)
Cash flow from financing activities	47,964	39,983	16,358	47,747
Increase (decrease) in cash and cash equivalents	3,768	(17,688)	(7,630)	34,319
Impact of exchange rate differences on cash and cash equivalents	(3,786)	(1,221)	(672)	117
Cash and cash equivalents at the beginning of the period	114,110	35,896	12,754	559
Cash and cash equivalents at the end of the period	114,092	16,987	4,452	34,995

S.A.C.I. Falabella

Address:
Manuel Rodriguez 730
Santiago, Chile

Contacts:
Lucrecia Fittipaldi / Catalina Escaffi
Investor Relations Department
Phone: (56 2) 2380 2012
Email: inversionistas@falabella.cl

Website:
www.falabella.com
Click on “Inversionistas” at the bottom of the page.

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