

●

EARNINGS REPORT

4th QUARTER 2014

SACI
FALABELLA



f....





EARNINGS REPORT 4th Quarter 2014 **SACI FALABELLA**

Index

I.	Executive Summary	3
II.	Consolidated Income Statement as of December 31 st , 2014.....	4
III.	Main Events during the Period	6
IV.	4th Quarter 2014 Results	8
V.	Retail Indicators.....	12
VI.	Financial Indicators	16
VII.	Other Indicators.....	17
VIII.	Operating Results by Business Unit.....	18
IX.	Financial Structure	20
X.	S.A.C.I. Falabella Financial Statements – according to IFRS	22

Notes:

- All dollar figures are calculated based on the Exchange rate as of January 2nd 2015: 606.75 \$/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.



EARNINGS REPORT 4th Quarter 2014 **SACI FALABELLA**

I. Executive Summary

During the fourth quarter of 2014, consolidated revenues amounted to MCLP 2,247,747 (MUS\$ 3,705), achieving a 13.0% growth compared to the same quarter of 2013. In turn, accumulated revenues as of December 2014 amounted to MCLP 7,562,799 (MUS\$ 12,464), increasing 13.6% in the period. Higher revenues are explained by the consolidation of Maestro since October 1st 2014, together with a higher sales area as a result of 31 new stores opened in the region during the year. It is worth noting that at the end of 2014, revenues from operations outside of Chile represented 40% of the total revenues of the Group, reflecting the diversified growth which the Company has been focusing on.

Meanwhile, the consolidated loan portfolio as of December 31st, 2014 amounted to MCLP 3,665,744 (MUS\$ 6,042), being 14.5% higher than the same period in 2013, highlighting the growth observed in Colombia and Peru. Loans from Banco Falabella in Colombia increased 26.8% in the period (in local currency), while in the case of Peru, loans were 21.6% higher than in December 2013 (in local currency). In turn, the loan book in CMR Chile and Banco Falabella increased 15.1% and 9.2% respectively compared to December 2013. Growth in both operations was above the observed industry growth and managed to maintain a controlled risk level.

Gross profit for the quarter amounted to MCLP 818,060 (MUS\$ 1,348), 13.6% higher than the same period of 2013, while the gross margin increased 20 basis points compared to December 2013. Margin expansion is explained by an increase in gross margin in several of the operations, among them Plaza, Banco Falabella in Chile and department stores in Chile and in Colombia. In the first case, expansion was as a result of the maturity of shopping centers which started operations over the last two years. In turn, Banco Falabella in Chile had a lower cost of funding in the quarter, positively contributing to the margin. Lastly, department stores in Chile achieved increased apparel sales and higher inventory control, while department stores in Colombia had higher sales of seasonal products as a result of a commercial strategy with higher acceptance by the Colombian customer. As of December 2014, accumulated gross profit amounted to MCLP 2,665,821 (MUS\$ 4,394), implying a gross margin of 35.2%.

SG&A expenses during the fourth quarter amounted to MCLP 517,522 (MUS\$ 853), increasing 13.5% compared to the same period of 2013, while as a percentage of revenues, increased 10 basis points. Higher expenses are mainly explained by the pre-opening expenses of the first Sodimac stores in Brazil and Uruguay. Furthermore, the increase is explained by extraordinary expenses as a result of the Maestro acquisition. In turn, improvements observed in Plaza, Tottus Chile and the Peruvian operations (excluding Maestro), contributed to lower proportional expenses compared to previous quarters. As of December 2014, accumulated SG&A expenses amounted to MCLP 1,854,698 (MUS\$ 3,057).

As a result, consolidated EBITDA during the fourth quarter amounted to MCLP 356,558 (MUS\$ 588), increasing 15.5% in the quarter, while EBITDA margin was 15.9%, being 40 basis points higher than the margin obtained in the fourth quarter of 2013. As of December 2014, accumulated EBITDA amounted to MCLP 1,015,565 (MUS\$ 1,674).

Lastly, consolidated net income for the quarter reached MCLP 184,788 (MUS\$ 305), showing an increase of 10.0% compared to the same period in 2013. At the end of 2014, accumulated net income amounted to MCLP 464,729 (MUS\$ 766). It should be noted that the net income does not include asset revaluation of investment properties, as the company adopted the historic cost method in 2009.

During the fourth quarter, Mall Plaza Copiapo opened in the north of Chile, and 19 new stores were opened in the region. Of these openings, 6 were department stores: 2 in Chile (in San Fernando and Copiapo), 1 in Peru (in Huanuco) and 3 in Colombia (in Ibagué, Cali and Bucaramanga). In turn, Sodimac opened 4 home improvement stores: 1 in Chile (in Quillota), 1 in Peru (in Cajamarca), 1 in Colombia (in Bogotá) and 1 Dicico store in Brazil (in Sumaré). Lastly, Tottus opened 9 stores in the region: 3 supermarkets in Chile (in Copiapo, Reñaca and Colina), 4 supermarkets in Peru (in Chepen, Huanuco, Cajamarca and Lima) and 2 stores with the new Hiperbodega Precio1 format (both in Lima).

EARNINGS REPORT 4th Quarter 2014 **SACI FALABELLA****II. Consolidated Income Statement as of December 31st, 2014**

Consolidated Income Statement 4Q 2014 (M\$)

	4Q13	% Rev.	4Q14	% Rev.	Var %
Revenues of Non-Banking Operations	1,863,764		2,099,158		12.6%
Revenues of Banking Operations	125,131		148,589		18.7%
Total Revenues	1,988,894		2,247,747		13.0%
COGS of Non-Banking Operations	(1,213,350)	-65.1%	(1,367,194)	-65.1%	12.7%
COGS of Banking Operations	(55,200)	-44.1%	(62,492)	-42.1%	13.2%
Gross Profit	720,345	36.2%	818,060	36.4%	13.6%
SG&A Expenses	(456,033)	-22.9%	(517,522)	-23.0%	13.5%
Operational Income	264,312	13.3%	300,537	13.4%	13.7%
Depreciation + Amortization	44,300	2.2%	56,020	2.5%	26.5%
EBITDA	308,612	15.5%	356,558	15.9%	15.5%
Other Income / (Expenses)	11,208		7,548		-32.7%
Net Financial Income / (Cost)	(34,302)		(47,403)		38.2%
Profit / (Loss) in Associates	5,869		8,751		49.1%
Exchange Rate Differences	(4,965)		(17,415)		250.8%
Non-Operating Profit	(22,190)	-1.1%	(48,520)	-2.2%	118.7%
Profit Before Tax Expenses	242,122	12.2%	252,018	11.2%	4.1%
Income Tax	(55,102)		(45,489)		-17.4%
Minority Interest	(18,994)		(21,741)		14.5%
Net Profit / (Loss)	168,025	8.4%	184,788	8.2%	10.0%

Consolidated Income Statement 2014 (M\$)

	2013	% Rev.	2014	% Rev.	Var %
Revenues of Non-Banking Operations	6,196,083		7,009,491		13.1%
Revenues of Banking Operations	459,487		553,308		20.4%
Total Revenues	6,655,569		7,562,799		13.6%
COGS of Non-Banking Operations	(4,100,822)	-66.2%	(4,658,040)	-66.5%	13.6%
COGS of Banking Operations	(209,999)	-45.7%	(238,938)	-43.2%	13.8%
Gross Profit	2,344,748	35.2%	2,665,821	35.2%	13.7%
SG&A Expenses	(1,611,879)	-24.2%	(1,854,698)	-24.5%	15.1%
Operational Income	732,869	11.0%	811,123	10.7%	10.7%
Depreciation + Amortization	167,385	2.5%	204,442	2.7%	22.1%
EBITDA	900,254	13.5%	1,015,565	13.4%	12.8%
Other Income / (Expenses)	9,329		7,308		-21.7%
Net Financial Income / (Cost)	(106,843)		(160,345)		50.1%
Profit / (Loss) in Associates	18,294		26,514		44.9%
Exchange Rate Differences	(12,781)		(40,226)		214.7%
Non-Operating Profit	(92,001)	-1.4%	(166,748)	-2.2%	81.2%
Profit Before Tax Expenses	640,868	9.6%	644,374	8.5%	0.5%
Income Tax	(143,760)		(127,269)		-11.5%
Minority Interest	(53,280)		(52,377)		-1.7%
Net Profit / (Loss)	443,827	6.7%	464,729	6.1%	4.7%



EARNINGS REPORT 4th Quarter 2014 SACI FALABELLA

Summary of Consolidated Balance Sheet – December 2014 (M\$)

	12/31/2013	12/31/2014	Var %
Current Assets - Non Banking Business	2,685,125	2,868,537	6.8%
Non Current Assets - Non Banking Business	4,487,162	5,479,649	22.1%
Total Assets - Non Banking Business	7,172,286	8,348,186	16.4%
Total Assets - Banking Business	2,711,480	2,997,270	10.5%
Total Assets	9,883,766	11,345,457	14.8%
Current Liabilities - Non Banking Business	1,752,340	1,988,584	13.5%
Non Current Liabilities - Non Banking Business	2,013,722	2,754,021	36.8%
Total Liabilities - Non Banking Business	3,766,062	4,742,605	25.9%
Total Liabilities - Banking Business	2,293,059	2,464,586	7.5%
Total Liabilities	6,059,121	7,207,191	18.9%
Total Equity	3,824,646	4,138,265	8.2%
Total Liabilities + Equity	9,883,766	11,345,457	14.8%

Summary of Consolidated Cash Flow – December 2014 (M\$)

	12/31/2013	12/31/2014	Var %
Cash flow from operating activities - Non Banking Business	477,739	689,562	44.3%
Cash flow from operating activities - Banking Business	64,880	89,257	37.6%
Cash flow from operating activities	542,619	778,819	43.5%
Cash flow from investment activities - Non Banking Business	(525,300)	(824,795)	57.0%
Cash flow from investment activities - Banking Business	(58,416)	(20,566)	-64.8%
Cash flow from investment activities	(583,715)	(845,361)	44.8%
Cash flow from financing activities - Non Banking Business	117,971	100,696	-14.6%
Cash flow from financing activities - Banking Business	(6,530)	(85,291)	1,206.1%
Cash flow from financing activities	111,441	15,405	-86.2%
Increase (decrease) in cash and cash equivalents	70,344	(51,137)	-172.7%
Impact of exchange rate differences on cash and cash equivalents	9,040	13,573	50.1%
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	647,690	610,126	-5.8%



EARNINGS REPORT 4th Quarter 2014 **SACI FALABELLA**

III. Main Events during the Period

- During the fourth quarter 19 new stores were opened in the region:
 - Falabella opened 6 new department stores:
 - In Chile, in the cities of San Fernando and Copiapo, with a sales area of 3,500 m² and 6,500 m² respectively.
 - In Peru, in the city of Huanuco, with a sales area of 2,300 m².
 - In Colombia, in the cities of Ibague, Cali, and Bucaramanga, with a sales area of 5,500 m², 8,400 m² and 4,700 m² respectively.
 - Sodimac opened 4 home improvement stores:
 - In Chile, in the city of Quillota, with a sales area of 9,000 m².
 - In Peru, in the city of Cajamarca, with a sales area of 8,300 m².
 - In Colombia, in the city of Bogota, with a sales area of 8,800 m².
 - In Brazil, in the district of Sumare with the Dicico format, with a sales area of 3,100 m².
 - Tottus opened 9 supermarkets in the region:

With the Tottus format:

 - In Chile, in the cities of Copiapó, Reñaca and Chamisero, with a sales area of 4,000 m², 1,300 m², and 2,700 m² respectively.
 - In Peru, in the cities of Chepen, Huanuco, Cajamarca and Lima, with a sales area of 2,600 m², 2,400 m², 4,100 m² and 4.600 m² respectively.

With the Hiperbodega format:

 - In Peru, opened 2 stores in the city of Lima, with a sales area of 2,100 m² and 1,600 m².
- In October, Tottus Peru inaugurated the first phase of its distribution center, located in the district of Huachipa, in Lima, counting with 34,000 m² of constructed area.
- In November, Mall Plaza Copiapo opened in the north of Chile, in the city of Copiapo. It has a GLA of 31,000 m² in its first phase, expecting to reach 45,000 m² by the end of the project. The shopping center, the first one in the Atacama region, features several specialty stores, plus two anchor stores from the group. This new shopping center achieved LEED certification.
- Additionally, 9 specialty stores were opened in the region. In Chile, Clarks, Aldo and MAC (these last two were relocations) opened stores. In Peru, Aldo opened two stores, and Call It Spring one. In Colombia, three Call It Spring stores were opened.
- In November, we launched Wurden, a new private label, which is transversal for the three retail formats. Wurden is an electronic appliances brand, providing innovative designs and quality in its multiple products. It is currently available in 16 stores.
- Additionally, Aristocrazy was incorporated into the exclusive brands portfolio, a Spanish jewelry that brings the latest trends in fashion.



EARNINGS REPORT 4th Quarter 2014 **SACI FALABELLA**

- On October 2nd, SACI Falabella informed that all of the bonds of Series G (BFALA-G) and Series H (BFALA-H) will be early redeemed.
- On October 22nd, SACI Falabella issued an international bond for MUS\$ 400, at a 10 year maturity and a 4.38% rate. The operation aims to refinance the debt after the acquisition of Maestro in September, the home improvement chain in Peru. It had a demand of MUS\$ 2,300, almost 6 times the offer, and was materialized at a margin of 215 basis points over the US Treasury.
- During the quarter we continued with the implementation of Microblend in Sodimac Chile stores, having implemented this new paint system in 43 stores so far.
- In November, Sodimac launched in Chile the Ozom brand, which offers technology enabling home automation. Ozom has twelve products that allow controlling a house remotely via a mobile phone application.
- On November 25th, the Board approved the distribution of a provisional dividend of CLP 25 per share, drawn from the earnings obtained in 2014.

Event after the period

- On January 5th, the Falabella Group announced its organic growth plan for the period 2015-2018, considering investments for MUS\$ 4,363. 53% of investments in the period will be destined to the opening of 140 new stores and 11 shopping centers in the 6 countries in which the company is present. Additionally, the amount assigned to extension and remodeling of stores will be doubled with respect to what was informed last year, thus reaching MUS\$ 915 in the next four year. Lastly, 26% of the investments will go towards strengthening the logistic and technological capacity, which is focused on improvements in efficiency and productivity, as well as enhancing the online operation.
- In January, Sodimac opened a new store in Peru, in the city of Chiclayo, its second store in this market, with a sales area of 7,800 m².



IV. 4th Quarter 2014 Results

1. Operational Result

Revenues

During the fourth quarter of 2014, consolidated revenues increased 13.0%, explained in part due to the consolidation of Maestro since October 1st. Additionally, the higher sales area also contributed to this growth, adding over 130,000 m² during the last twelve months by opening 31 new stores in the region.

In Chile, we highlight the growth observed in Plaza and Tottus, reaching revenue increases of 23.2% and 12.0% respectively. In the first case, it is explained by the increase in gross leasable area, additional revenues due to parking fees which were not previously implemented and the positive impact of inflation as leasing revenues are fixed to the UF. In the case of Tottus, it is mainly explained by the higher sales area, as there are five new stores compared to December 2013, which together with positive SSS growth, contributed to market share increase. In turn, we highlight the 5.1% SSS growth obtained in Sodimac during the period. In the case of department stores, SSS growth was negative, however, it showed a significant recovery compared to what was observed in the third quarter of 2014, mainly in apparel. In the case of the financial business, higher loans in the period allowed Banco Falabella and CMR to increase their revenues 6.4% and 5.7% respectively.

Meanwhile, operations in Peru showed significant growth in their revenues, beyond the consolidation of Maestro. The progress made in the retail operations is mainly explained by the higher sales area added in the period, considering that the observed slowdown in consumption in recent quarters affected SSS growth in department stores and Sodimac. However, it is worth noting the SSS growth achieved by Tottus, which together with increased sales area, managed to expand its market share. We highlight the growth observed in Banco Falabella, given the higher level of loans in the period.

In the case of Colombia, the sustained SSS growth, together with three store openings during the quarter, explain higher revenues in department stores. Meanwhile, in the case of the Bank, the sustained loan book growth observed in recent quarters contributes to the 17.0% increase in revenues in operations in this country.

Lastly, revenues from the operation in Brazil were affected by a lower level of activity observed in the country.



EARNINGS REPORT 4th Quarter 2014 **SACI FALABELLA**

Gross Margin

Gross profit increased 13.6%, amounting to MCLP 818,060 (MUS\$ 1,348), while the gross margin resulted in 36.4%, being 20 basis points higher than the same quarter of 2013.

In Chile, it is worth noting the improved results obtained in department stores, Plaza and Banco Falabella. In the first case, despite the slowdown in consumption, gross margin increased 2.1 percentage points, due to higher sales in apparel over electronics, which have yet to recover. Additionally, improvements in the distribution center allowed greater inventory control, resulting in a reduction in losses from obsolescence and differences in inventory. In turn, the improved performance observed in newer shopping malls explains the increase in gross margin observed in Plaza. Meanwhile, in the case of Banco Falabella, the higher gross margin is explained by the positive impact that inflation has over the Bank's results given its greater position of assets in UF, together with a lower funding cost. These results offsets lower margins observed in Tottus Chile due to higher promotional activity, mainly in *non-food*, and in Sodimac Chile, due to higher promotions in order to maintain the level of sales given the less dynamic market in the country.

In Peru, department stores and Tottus faced increased promotional activity as a result of the slowdown in consumption observed in the country, contributing to gross margin contraction.

In the case of Colombia, higher gross margin is mainly explained by an improved performance in department stores. Adjustments in the commercial strategy had a positive effect in the Colombia customer, resulting in higher seasonal product sales.

Lastly, the observed slowdown in the economic activity in Brazil was accentuated in the home improvement segment, implying a greater commercial aggressiveness from Dicico, negatively affecting the gross margin in the quarter.

Selling, General and Administrative Expenses

SG&A expenses amounted to MCLP 517,522 (MUS\$ 853) in the quarter, while as a percentage of revenues, resulted in 23.0%, implying an increase of 10 basis points compared to the same quarter of the previous year. This is mainly explained by higher expenses in the Brazilian operation, given the incorporation of the Sodimac team in charge of developing the Homecenter format in that country, expecting to open the first store this year. Additionally, higher expenses in remunerations in Dicico were not able to be diluted given the lower level of sales. Moreover, there were also higher expenses generated by the future entry of Sodimac in Uruguay, having two planned openings for 2015, the first one scheduled for the first half of the year.

In Chile, higher selling and administrative expenses are largely explained by department stores, as a result of higher expenses in remunerations mainly in the logistics area, which in turn had a positive effect in gross margin expansion due to lower losses in inventory differences. In the case of CMR Chile, a higher marketing expense and in the card loyalty program, explain in part the increase observed at a consolidated level. In turn, Tottus Chile outstands due to improvement mainly in labor productivity, which allowed reduction of remunerations expenses as a percentage of revenues. Plaza also



EARNINGS REPORT 4th Quarter 2014 **SACI FALABELLA**

observed improvements in its expenses due to the maturity of shopping centers which started operations in the last two years.

The Peruvian operations achieved lower proportional SG&A expenses mainly due to higher labor productivity. It is also worth noting the lower proportional expenses in the Tottus logistic operation, having launched its own distribution center, which allows higher centralization of merchandise, as well as generating other efficiencies in the operation. This managed to more than offset the extraordinary expenses that implied the Maestro transaction.

Lastly, in the case of Colombia and Argentina, increased spending on remunerations in the retail operations explain higher selling and administrative expenses.

EBITDA and Operating Result

As a result of the previously explained performance, consolidated EBITDA in the fourth quarter amounted to MCLP 356,558 (MUS\$ 588), reaching an EBITDA margin of 15.9%, while on an accumulated basis it resulted in MCLP 1,015,565 (MUS\$ 1,674).

Finally, operating income for the period reached MCLP 300,537 (MUS\$ 495), while in the accumulated twelve months of 2014, operating income amounted to MCLP 811,123 (MUS\$ 1,337).

2. Non-Operating Result

Non-operating result was a loss of MCLP 48,520 (MUS\$ 80), implying a further loss of 118.7% compared to the fourth quarter of 2013. This was mainly due to the greater exchange rate difference that occurred in the period, resulting in a loss of MCLP 17,415 (MUS\$ 29). This higher loss is mainly explained by the depreciation of the Chilean peso affecting the dollar denominated debt. Additionally, the higher net financial expenses impacted results due to a higher debt level together with the inflation impact as a result of the UF denominated debt. In turn, the income tax decreased 17.4% in part due to the approved tax reform in Peru which involved a decrease in net deferred taxes for approximately CLP 6 billion.

As a result, net income for the period reached MCLP 184,788 (MUS\$ 305), a 10.0% increase compared to the same period of the previous year. Accumulated net income amounted to MCLP 464,729 (MUS\$ 766), an increase of 4.7% compared to 2013. It should be noted that the net income does not include asset revaluation of investment properties, as the company adopted the historic cost method in 2009.

3. Consolidated Balance

Non-banking business current assets increased MCLP 183,412 compared to year-end 2013, mainly as a result of higher inventory levels and higher trade and other accounts receivable. In turn, non-banking non-current assets grew by MCLP 992,487, explained by the increase in property, plant and equipment and investment properties. This is explained,



EARNINGS REPORT 4th Quarter 2014 **SACI FALABELLA**

on one side, due to Maestro's incorporation, given that it owns 15 stores as well as 119,000 m² of undeveloped landbank, 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 the 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. In the case of banking business, total assets increased by MCLP 285,791 compared to December 2013, mainly due to the increase in loans and accounts receivable from clients, given the higher level of activity in this business. As a result, total assets increased MCLP 1,461,690.

Non-banking business current liabilities increased by MCLP 236,245 compared to December 2013, mainly explained by higher financial liabilities and higher trade and other accounts payable. Meanwhile, the non-banking operations non-current liabilities increased by MCLP 740,299 due to the growth in non-current financial liabilities. This is mainly due to the international bond issuance done by SACI Falabella for MUS\$ 400 to finance the Maestro acquisition, which is added to the consolidation of Maestro's own financial debt. Additionally, it is worth noting the increase in deferred tax liabilities as a result of the tax reform adopted in Chile and the consolidation of Maestro. In turn, the total liabilities of banking operations increased MCLP 171,527 due to higher deposits and other time deposits. As a result, total liabilities increased by MCLP 1,148,071.

4. Consolidated Cash Flow

Non-banking business cash flow from operating activities increased MCLP 211,823 as of December 2014 compared to the same period of the previous year, explained by a higher revenue growth together with a lower inventory growth. Banking operations cash flow from operating activities increased MCLP 24,377, explained by the higher level of activity observed in the banking operation of the three countries. As a result, consolidated cash flow from operating activities increased by MCLP 236,200 during the period.

Non-banking business cash flow from investing activities was MCLP 299,495 more negative compared to the same period of the previous year, mainly explained by acquisition of Maestro by the Sodimac Peru subsidiary, together with a higher investment in fixed assets in line with the company's growth plan of new stores. In turn, banking operations cash flow from investing activities was MCLP 37,850 less negative compared to the same period of the previous year, mainly due to a net decrease in investment in securities available for sale. As a result, cash flow from consolidated investing activities as of December 2014 was MCLP 261,645 more negative compared to the same period in 2013.

Non-banking business cash flow from financing activities as of December 2014 was MCLP 17,275 lower than the previous year, mainly explained by higher paid interest. In turn, cash flow from financing activities of banking business was MCLP 78,761 more negative than the amount obtained in December of the previous year due to higher bond payments. As a result, cash flow from financing activities decreased by MCLP 96,036 compared to the same flow of the previous period.



EARNINGS REPORT 4th Quarter 2014 **SACI FALABELLA**

V. Retail Indicators

1. Retail Business Revenues

Retail Revenues 4Q 2014¹ (MUS\$)

(Nominal Chilean pesos, translated to US\$ at the observed exchange rate of January 2nd 2015)

	4Q13	4Q14	Var %	Var Local Currency ² %
Chile				
Department Stores	647.2	666.0	2.9%	2.9%
Home Improvement	772.2	807.5	4.6%	4.6%
Supermarkets	251.3	281.5	12.0%	12.0%
Peru				
Department Stores	248.8	292.8	17.7%	7.1%
Home Improvement	132.3	278.3	110.3%	92.3%
Supermarkets	234.3	298.7	27.5%	13.2%
Colombia				
Department Stores	200.8	231.4	15.2%	14.9%
Home Improvement	317.4	361.4	13.9%	10.9%
Argentina				
Department Stores	170.0	167.5	-1.4%	19.1%
Home Improvement	61.9	73.5	18.7%	43.7%
Brazil				
Home Improvement	84.1	81.6	-3.1%	-6.5%

Retail Revenues 2014¹ (MUS\$)

(Nominal Chilean pesos, translated to US\$ at the observed exchange rate of January 2nd 2015)

	2013	2014	Var %	Var Local Currency ² %
Chile				
Department Stores	2,038.5	2,145.5	5.2%	5.2%
Home Improvement	2,854.2	3,020.8	5.8%	5.8%
Supermarkets	881.6	1,004.3	13.9%	13.9%
Peru				
Department Stores	798.6	930.6	16.5%	6.3%
Home Improvement	475.2	694.3	46.1%	33.3%
Supermarkets	778.5	987.6	26.9%	14.9%
Colombia				
Department Stores	524.3	622.4	18.7%	11.6%
Home Improvement	1,125.4	1,345.9	19.6%	10.6%
Argentina				
Department Stores	535.9	542.1	1.2%	29.6%
Home Improvement	211.7	223.0	5.3%	35.1%
Brazil				
Home Improvement		329.7		

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.



EARNINGS REPORT 4th Quarter 2014 **SACI FALABELLA**

Same Store Sales (SSS) Nominal Growth³

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

	1Q13	2Q13	3Q13	4Q13	2013	1Q14	2Q14	3Q14	4Q14	2014
Chile										
Department Stores	-0.8%	4.7%	8.2%	7.4%	5.0%	5.5%	5.6%	-4.5%	-0.3%	1.5%
Home Improvement	3.4%	7.7%	6.4%	8.9%	6.6%	7.2%	3.7%	4.6%	5.1%	5.3%
Supermarkets	8.0%	8.5%	6.7%	8.4%	7.4%	6.5%	9.3%	5.6%	2.0%	5.5%
Peru										
Department Stores	4.6%	6.5%	1.5%	9.6%	5.9%	3.7%	-3.4%	0.6%	-1.3%	-0.7%
Home Improvement	10.8%	10.9%	8.7%	0.1%	7.3%	-2.5%	-5.0%	-4.4%	-2.1%	-3.4%
Supermarkets	8.5%	7.2%	2.7%	9.2%	6.9%	5.3%	6.4%	4.9%	4.5%	5.1%
Colombia										
Department Stores	-0.4%	-3.2%	-7.4%	9.1%	0.8%	2.2%	13.6%	8.7%	6.9%	7.8%
Home Improvement	-2.2%	0.5%	2.2%	6.5%	1.9%	5.9%	4.1%	5.8%	6.8%	6.0%
Argentina										
Department Stores	24.3%	31.1%	32.0%	36.1%	31.6%	35.6%	31.3%	20.5%	17.4%	24.7%
Home Improvement	31.1%	25.9%	21.8%	38.8%	29.7%	28.8%	21.4%	27.1%	26.8%	26.1%
Brazil										
Home Improvement			8.5%	13.3%		2.2%	-0.9%	-4.4%	-8.1%	-3.1%

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



EARNINGS REPORT 4th Quarter 2014 **SACI FALABELLA**

2. Number of Stores and Selling Area of Retail Businesses^{4,5}

	December 2013		December 2014	
	Sales Area (m ²)	Stores (#)	Sales Area (m ²)	Stores (#)
Chile				
Department Stores	287,956	44	304,994	45
Home Improvement	672,939	82	689,217	84
Supermarkets	172,467	47	182,892	52
Peru				
Department Stores	145,290	23	155,226	25
Home Improvement	179,779	24	364,063	56
Supermarkets	160,331	40	182,561	49
Colombia				
Department Stores	95,405	15	114,022	18
Home Improvement	320,103	32	331,441	34
Argentina				
Department Stores	57,762	11	57,762	11
Home Improvement	74,785	7	84,289	8
Brazil				
Home Improvement	118,128	56	124,757	58
Total Stores	2,284,947	381	2,591,224	440

3. Number of Shopping Malls and GLA of Real Estate Operators⁶

	December 2013		December 2014	
	GLA (m ²)	Shopping Malls (#)	GLA (m ²)	Shopping Malls (#)
Chile				
Mall Plaza	1,124,000	14	1,176,000	15
Open Plaza	220,000	9	235,000	10
Peru				
Aventura Plaza	252,000	4	274,000	4
Open Plaza	228,000	8	234,000	8
Colombia				
Mall Plaza	26,000	1	26,000	1
Total Real Estate	1,850,000	36	1,945,000	38

Furthermore, the Group owns 920,000 m² of additional GLA in free standing locations of Falabella, Sodimac, Tottus and Maestro stores.

⁴ During 2013 selling area was recounted, which may imply differences in the information published in December 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).



EARNINGS REPORT 4th Quarter 2014 **SACI FALABELLA**

4. Sales per Square Meter of Retail Businesses⁷

Sales per Square Meter – 4Q 2014 (US\$ / m²)

	4Q13	4Q14	Var %
Chile			
Department Stores	2,303	2,219	-3.7%
Home Improvement	1,155	1,179	2.1%
Supermarkets	1,524	1,575	3.3%
Peru			
Department Stores	1,755	1,900	8.3%
Home Improvement	763	772	1.2%
Supermarkets	1,522	1,718	12.9%
Colombia			
Department Stores	2,105	2,210	5.0%
Home Improvement	1,019	1,105	8.4%
Argentina			
Department Stores	2,942	2,900	-1.4%
Home Improvement	828	872	5.3%
Brazil			
Home Improvement		662	
TOTAL	1,392	1,389	-0.2%

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

	2013	2014	Var %
Chile			
Department Stores	7,333	7,237	-1.3%
Home Improvement	4,299	4,435	3.2%
Supermarkets	5,406	5,652	4.6%
Peru			
Department Stores	5,685	6,194	9.0%
Home Improvement	2,985	2,553	-14.5%
Supermarkets	5,182	5,760	11.2%
Colombia			
Department Stores	5,565	5,943	6.8%
Home Improvement	3,661	4,131	12.8%
Argentina			
Department Stores	9,014	9,386	4.1%
Home Improvement	2,831	2,804	-1.0%
Brazil			
Home Improvement		2,715	
TOTAL	4,890	4,724	-3.4%

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.



EARNINGS REPORT 4th Quarter 2014 **SACI FALABELLA**

VI. Financial Indicators

1. Credit Indicators^{8,9,10}

		1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14
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	1,224,623
Provisions (stock)	M CLP	(43,716)	(41,265)	(39,314)	(38,389)	(39,911)	(44,582)	(44,333)	(42,861)
Net Write-Offs	M CLP	18,978	31,410	43,263	53,458	10,536	18,369	30,695	41,735
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	2,247,183
Duration	Months	3.8	4.0	4.0	3.9	3.7	4.0	4.2	4.3
Average Loan	CLP	463,483	456,924	465,332	503,084	505,856	508,943	514,506	544,959
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	1,311,374
Provisions (stock)	M CLP	(42,905)	(45,745)	(48,779)	(52,152)	(60,483)	(64,174)	(63,639)	(63,318)
Net Write-Offs	M CLP	11,455	19,853	28,237	36,758	8,600	18,570	27,121	35,902
Banco Falabella Peru									
Total Gross Loans	M SOL	2,256	2,421	2,393	2,529	2,479	2,620	2,712	3,076
Provisions (stock)	M SOL	(169)	(179)	(178)	(185)	(187)	(193)	(201)	(213)
Net Write-Offs	M SOL	33	64	93	116	26	52	75	98
Open Accounts (with balance)	#	949,032	948,672	928,817	939,214	922,545	948,773	965,078	1,017,653
Duration	Months	9.3	9.2	9.5	9.3	9.8	9.6	10.0	10.0
Average Consumer Loan	SOL	2,377	2,552	2,576	2,693	2,687	2,761	2,810	3,023
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	1,471,806
Provisions (stock)	M COP	(77,071)	(77,995)	(75,088)	(75,050)	(76,451)	(78,869)	(79,971)	(84,922)
Net Write-Offs	M COP	20,226	37,547	52,871	67,448	12,788	24,812	36,689	49,030
Open Accounts (with balance)	#	649,450	669,422	692,658	730,740	722,110	739,464	749,720	803,984
Duration	Months	6.6	6.7	6.8	6.9	7.6	7.8	7.9	7.7
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	1,830,641
CMR Argentina (Card)									
Total Gross Loans	M ARS	1,276	1,397	1,508	1,847	1,797	1,819	1,714	1,938
Provisions (stock)	M ARS	(31)	(32)	(28)	(32)	(43)	(53)	(47)	(48)
Net Write-Offs	M ARS	11	20	29	25	(9)	(21)	(37)	(54)
Open Accounts (with balance)	#	515,364	519,358	519,748	546,385	539,337	525,034	512,447	504,244
Duration	Months	3.6	3.4	3.6	3.6	3.1	2.8	2.6	2.7
Average Consumer Loan	ARS	2,476	2,690	2,900	3,380	3,332	3,465	3,345	3,844

2. Percentage of Sales with CMR Card¹¹

	1Q 13	1H 13	9M 13	2013	1Q 14	1H 14	9M14	2014
Chile - Falabella	54.3%	55.6%	56.1%	56.1%	54.3%	55.6%	55.7%	55.2%
Chile - Sodimac	30.9%	30.8%	30.5%	30.9%	29.8%	30.0%	29.6%	29.7%
Chile - Tottus	16.8%	17.6%	18.1%	18.5%	17.4%	18.4%	19.3%	19.4%
Peru - Saga, Sodimac & Tottus	43.2%	45.5%	44.9%	44.6%	39.5%	41.9%	41.8%	42.5%
Colombia - Falabella & Sodimac	23.8%	24.8%	24.6%	25.0%	22.6%	24.7%	24.6%	25.7%
Argentina - Falabella & Sodimac	36.6%	35.0%	34.0%	32.9%	27.7%	29.7%	28.5%	27.4%

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 SBIIF (Superintendent of Banks and Financial Institutions of Chile) presented as liabilities.

c. Loans and provisions for Banco Falabella in Chile consider only loans for people, and therefore do not match those reported in the financial statements of the Company.

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.



EARNINGS REPORT 4th Quarter 2014 **SACI FALABELLA**

VII. Other Indicators

Average Collection Period¹², Average Payment Period and Inventory Turnover 4Q 2014¹³

Chile

	Dep. Stores		Home Improv.		Supermarkets		Promotora CMR		Plaza S.A.	
	4Q13	4Q14	4Q13	4Q14	4Q13	4Q14	4Q13	4Q14	4Q13	4Q14
Average Collection Period	7.8	6.8	26.0	25.1	4.9	2.9	117.0	129.0	36.5	35.8
Average Payment Period	44.6	41.1	51.4	44.3	50.0	40.0	NA	NA	NA	NA
Inventory Turnover (days)	67.9	65.2	73.8	74.0	36.1	36.2	NA	NA	NA	NA

International Operations¹⁴

	Peru		Argentina		Colombia		Brazil	
	4Q13	4Q14	4Q13	4Q14	4Q13	4Q14	4Q13	4Q14
Average Collection Period	3.2	2.9	13.9	20.0	4.7	3.6	66.7	61.8
Average Payment Period	48.9	51.9	45.5	46.2	47.9	52.4	91.1	84.9
Inventory Turnover (day)	78.0	71.2	80.5	99.1	62.6	51.1	102.9	100.2

¹² Collection period does not include accounts receivable of the 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 only retail operations.



EARNINGS REPORT 4th Quarter 2014 **SACI FALABELLA**

VIII. Operating Results by Business Unit

Operating Results 4Q 2014 (MUS\$)^{15,16}

Chile

	Department Stores			Home Improvement			Supermarkets		
	4Q13	4Q14	Var %	4Q13	4Q14	Var %	4Q13	4Q14	Var %
Revenues	647.2	666.0	2.9%	772.2	807.5	4.6%	251.3	281.5	12.0%
Gross Margin	31.0%	33.1%	9.9%	31.4%	30.9%	2.7%	24.3%	23.4%	7.9%
SG&A / Revenues	-23.4%	-24.4%	7.2%	-22.1%	-22.3%	5.6%	-21.4%	-20.3%	6.6%
SG&A w.o Dep. / Rev.	-22.2%	-22.8%	6.0%	-20.7%	-20.8%	5.3%	-18.8%	-17.7%	5.3%
EBITDA Margin	8.8%	10.2%	19.5%	11.0%	10.2%	-2.8%	5.5%	5.7%	17.0%
Operating Margin	7.6%	8.7%	18.3%	9.4%	8.6%	-4.1%	2.9%	3.1%	17.2%

	Promotora CMR ¹⁷			Banco Falabella Chile			Plaza S.A.		
	4Q13	4Q14	Var %	4Q13	4Q14	Var %	4Q13	4Q14	Var %
Revenues	129.3	128.1	-1.0%	123.9	131.8	6.4%	86.5	106.6	23.2%
Gross Margin	48.6%	48.7%	-0.7%	54.6%	59.1%	15.1%	76.2%	79.2%	28.1%
SG&A / Revenues	-10.2%	-11.0%	6.6%	-26.4%	-29.8%	20.1%	-14.0%	-8.0%	-29.1%
SG&A w.o Dep. / Rev.	-10.2%	-11.0%	6.6%	-24.4%	-27.7%	20.6%	-14.0%	-7.7%	-32.3%
EBITDA Margin	38.4%	37.7%	-2.6%	30.2%	31.4%	10.8%	72.6%	82.2%	39.6%
Operating Margin	38.4%	37.7%	-2.6%	28.2%	29.3%	10.5%	62.3%	71.2%	40.9%

International Operations

	Peru			Colombia			Argentina			Brazil		
	4Q13	4Q14	Var %	4Q13	4Q14	Var %	4Q13	4Q14	Var %	4Q14	4Q14	Var %
Revenues	701.7	959.6	36.7%	246.6	288.4	17.0%	254.3	263.9	3.8%	84.1	81.6	-3.1%
Gross Margin	34.5%	32.5%	28.8%	36.0%	38.4%	24.9%	41.6%	42.6%	6.4%	32.3%	29.9%	-10.4%
SG&A / Revenues	-22.0%	-21.7%	34.5%	-24.8%	-25.3%	19.6%	-32.1%	-33.3%	8.0%	-31.1%	-33.5%	4.5%
SG&A w.o Dep. / Rev.	-19.9%	-19.0%	30.8%	-22.7%	-22.9%	18.3%	-31.0%	-32.3%	8.1%	-29.6%	-32.3%	5.7%
EBITDA Margin	14.6%	13.5%	26.1%	13.3%	15.5%	36.3%	10.6%	10.4%	1.5%	2.7%	-2.4%	NA
Operating Margin	12.5%	10.9%	18.8%	11.2%	13.1%	36.9%	9.5%	9.3%	1.2%	1.2%	-3.6%	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.

¹⁷ Revenues for the fourth quarter 2014 include a reclassification of differed income between group companies which have no effect at the consolidated level. Without this reclassification, revenues would have grown 5.7% in the quarter.



EARNINGS REPORT 4th Quarter 2014 **SACI FALABELLA**

Operating Results 2014 (MUS\$)^{15,16}

Chile

	Department Stores			Home Improvement			Supermarkets		
	2013	2014	Var %	2013	2014	Var %	2013	2014	Var %
Revenues	2,038.5	2,145.5	5.2%	2,854.2	3,020.8	5.8%	881.6	1,004.3	13.9%
Gross Margin	29.5%	30.1%	7.1%	29.6%	29.1%	4.3%	24.1%	23.8%	12.3%
SG&A / Revenues	-25.1%	-26.6%	11.5%	-23.0%	-22.6%	3.9%	-23.1%	-22.7%	11.9%
SG&A w.o Dep. / Rev.	-23.6%	-24.9%	11.0%	-21.5%	-21.0%	3.8%	-20.3%	-19.9%	11.4%
EBITDA Margin	5.9%	5.2%	-8.3%	8.3%	8.3%	5.5%	3.8%	3.9%	17.6%
Operating Margin	4.4%	3.5%	-17.7%	6.6%	6.6%	5.5%	1.0%	1.1%	23.5%

	Promotora CMR ¹⁷			Banco Falabella Chile			Plaza S.A.		
	2013	2014	Var %	2013	2014	Var %	2013	2014	Var %
Revenues	489.0	533.2	9.0%	383.0	451.9	18.0%	317.1	373.4	17.8%
Gross Margin	50.1%	51.0%	10.9%	45.4%	50.1%	30.2%	81.2%	80.2%	16.3%
SG&A / Revenues	-9.8%	-10.0%	11.0%	-31.4%	-31.2%	17.4%	-12.1%	-10.8%	5.8%
SG&A w.o Dep. / Rev.	-9.8%	-10.0%	11.0%	-29.1%	-28.8%	17.1%	-11.8%	-10.5%	4.7%
EBITDA Margin	40.3%	41.0%	10.9%	16.3%	21.3%	53.5%	79.7%	81.3%	20.1%
Operating Margin	40.3%	41.0%	10.9%	14.1%	18.9%	58.8%	69.1%	69.4%	18.2%

International Operations

	Peru			Colombia			Argentina			Brazil
	2013	2014	Var %	2013	2014	Var %	2013	2014	Var %	2014
Revenues	2,334.6	2,934.4	25.7%	701.7	844.6	20.4%	828.8	856.2	3.3%	329.7
Gross Margin	32.4%	31.2%	21.0%	36.8%	38.4%	25.6%	40.8%	41.5%	5.0%	31.4%
SG&A / Revenues	-22.7%	-23.0%	27.6%	-30.9%	-30.8%	20.0%	-35.7%	-35.2%	1.6%	-33.1%
SG&A w.o Dep. / Rev.	-20.3%	-20.3%	25.8%	-27.9%	-27.6%	19.1%	-34.4%	-34.0%	2.0%	-31.4%
EBITDA Margin	12.2%	10.9%	12.9%	8.9%	10.8%	46.0%	6.4%	7.6%	21.4%	0.1%
Operating Margin	9.7%	8.2%	5.6%	5.9%	7.6%	54.9%	5.1%	6.4%	28.8%	-1.7%



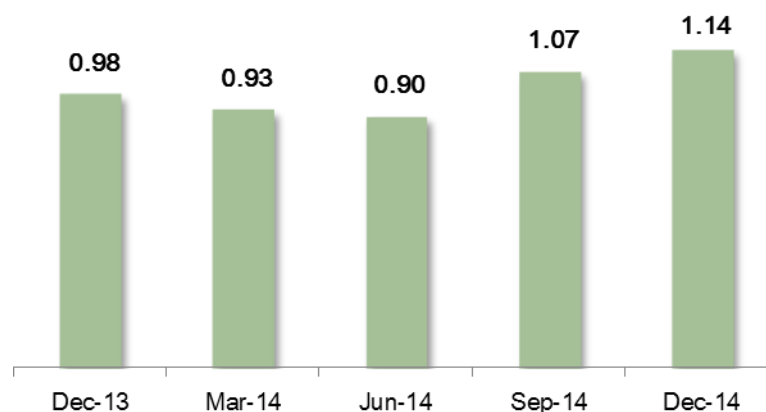
EARNINGS REPORT 4th Quarter 2014 **SACI FALABELLA**

IX. Financial Structure

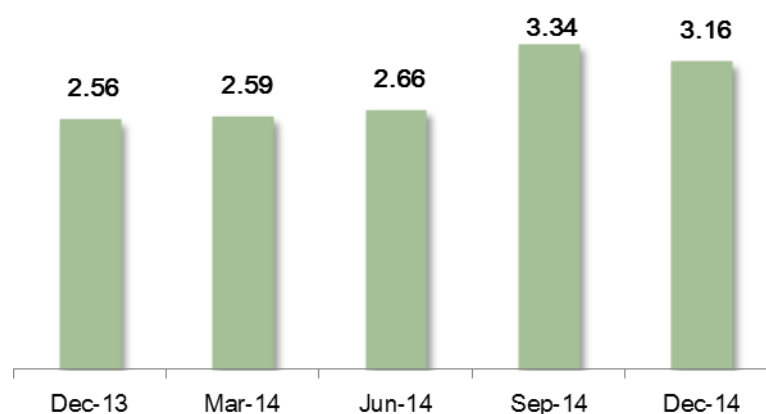
Total liabilities as of December 31st 2014 amounted to MCLP 7,207,191 (MUS\$ 11,878).

In turn, the leverage of non-banking business¹⁸ amounts to 1.14x. Considering the financial debt¹⁹ of the non-banking businesses, the ratio of Net Financial Debt / EBITDA was 3.16x²⁰.

1. Leverage Non-Banking Operations



2. Net Financial Debt / EBITDA Non-Banking Operations



¹⁸ Non-Banking Operations Leverage = Total Non-Banking Operations Liabilities divided by Total Equity.

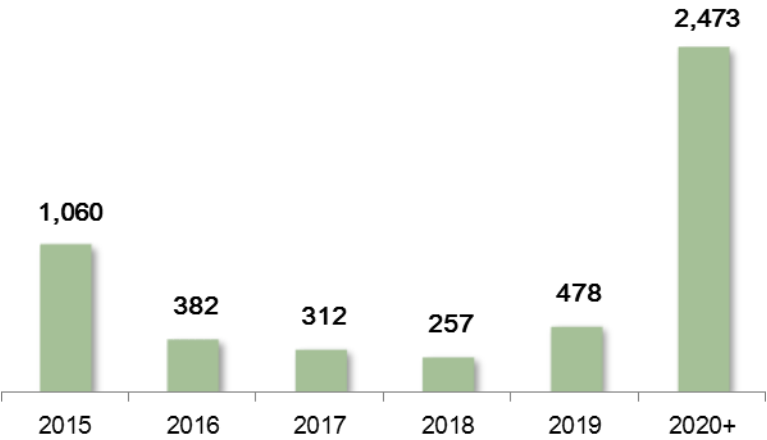
¹⁹ Non-Banking Business Financial Debt = Total Current Non-Bank Operations Liabilities + Total Non-Current Non-Banking Operations Liabilities.

²⁰ Maestro's financial debt started to be considered since September 2014, while its EBITDA only started consolidating from the last quarter of 2014.



3. Debt Maturity Profile^{21, 22}

Total Consolidated Financial Debt (excluding banking operations): MUS\$ 4,963
(Millions of US\$)



²¹ 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.
²² Data in US\$ converted at the closing exchange rate of December 2014 for each country.



EARNINGS REPORT 4th Quarter 2014 SACI FALABELLA

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

	31-Dec-14	31-Dec-13
	TH\$	TH\$
Assets		
Non-banking Businesses		
Current assets		
Cash and cash equivalents	211,219,868	275,536,508
Other financial assets	19,518,703	18,292,516
Other non-financial assets	88,613,455	69,469,511
Trade and other accounts receivable	1,460,886,123	1,359,023,097
Accounts receivable from related parties	14,382,645	3,608,843
Inventory	1,019,199,966	916,670,685
Tax assets	49,566,343	42,523,671
Total of current assets different from those assets or disposal groups classified as held for sale or as held for distribution to owners	2,863,387,103	2,685,124,831
Non-current Assets classified as held for sale	5,150,100	0
Non-current assets or disposal groups classified as held for sale or as held for distribution to owners	5,150,100	-
Total Current Assets	2,868,537,203	2,685,124,831
Non-current Assets		
Other financial assets	71,524,973	12,982,996
Other non-financial assets	32,688,857	30,799,590
Accounts receivable	206,165,723	165,509,701
Investments accounted for using the equity method	163,334,299	148,775,246
Intangible assets other than goodwill	233,503,315	185,852,765
Goodwill	462,525,345	298,112,966
Property, plant and equipment	2,119,695,908	1,671,176,569
Investment properties	2,122,042,651	1,928,060,213
Deferred tax assets	68,168,041	45,891,584
Total Non-current Assets	5,479,649,112	4,487,161,630
Total Assets – Non-banking Business	8,348,186,315	7,172,286,461
Banking Services Assets (Presentation)		
Cash and bank deposits	347,215,192	342,345,059
Transactions with settlement in progress	10,125,348	47,396,787
Financial assets held for trading	55,864,410	83,084,118
Financial derivative contracts	14,503,691	6,607,804
Due from banks	29,977,748	-
Loans and accounts receivable from clients	2,180,384,460	1,886,630,217
Available for sale instruments	264,017,567	260,038,309
Investments in companies	1,910,151	1,621,617
Intangibles	23,769,265	19,978,641
Property, plant and equipment	36,934,564	36,175,090
Current taxes	1,873,669	288,608
Deferred taxes	14,509,536	10,717,632
Other assets	16,184,783	16,595,992
Total Bank Services Assets	2,997,270,384	2,711,479,874
Total Assets	11,345,456,699	9,883,766,335



EARNINGS REPORT 4th Quarter 2014 SACI FALABELLA

	31-Dec-14	31-Dec-13
	TH\$	TH\$
Net Equity and Liabilities		
Non-banking Business		
Current Liabilities		
Other financial liabilities	736,529,589	641,297,879
Trade and other accounts payable	966,061,609	877,521,250
Accounts payable to related parties	9,894,036	3,746,778
Other current provisions	10,248,584	6,147,851
Current tax liabilities	25,734,030	20,186,730
Employee benefits provisions	110,578,122	93,750,401
Other non-financial liabilities	129,538,281	109,688,812
Total Current Liabilities	1,988,584,251	1,752,339,701
Non-current Liabilities		
Other financial liabilities	2,316,360,511	1,720,465,349
Other liabilities	2,686,255	2,300,188
Accounts payable to related parties	-	340,547
Other long-term provisions	14,898,205	4,839,707
Deferred tax liabilities	369,652,474	247,097,078
Employee benefits provision	19,717,004	14,934,866
Other non-financial liabilities	30,706,165	23,744,207
Total Non-current Liabilities	2,754,020,614	2,013,721,942
Total Non-banking Business Liabilities	4,742,604,865	3,766,061,643
Banking Services Liabilities (Presentation)		
Deposits and other demand liabilities	241,347,479	160,428,104
Transactions with settlement in progress	4,852,755	55,361,946
Time deposits and other term deposits	1,671,548,562	1,502,609,515
Financial derivative contracts	8,637,377	4,486,973
Due to banks	66,923,264	52,451,222
Debt instruments issued	240,739,591	277,114,232
Other financial obligations	175,729,113	188,589,350
Current taxes	59,511	3,846,203
Deferred taxes	-	615,453
Provisions	5,491,575	6,049,741
Other liabilities	49,257,187	41,506,288
Total Banking Services Liabilities	2,464,586,414	2,293,059,027
Total Liabilities	7,207,191,279	6,059,120,670
Net Equity		
Issued capital	533,409,643	530,806,267
Retained earnings	2,913,524,436	2,676,678,527
Share premium	93,482,329	67,679,807
Own shares in portfolio	(3,495,432)	-
Other reserves	(92,000,283)	(123,136,318)
Equity attributable to owners of the parent	3,444,920,693	3,152,028,283
Non-controlling interests	693,344,727	672,617,382
Total Equity	4,138,265,420	3,824,645,665
Total Equity and Liabilities	11,345,456,699	9,883,766,335



EARNINGS REPORT 4th Quarter 2014 **SACI FALABELLA**

	For the year ended as of 31-Dec-14	For the year ended as of 31-Dec-13
	TH\$	TH\$
Statement of Income		
Non-banking Business		
Revenue from continuing operations	7,009,490,611	6,196,082,713
Cost of sales	(4,658,040,208)	(4,100,822,221)
Gross Profit	2,351,450,403	2,095,260,492
Distribution costs	(82,824,778)	(79,320,118)
Administrative expenses	(1,426,230,449)	(1,241,427,742)
Other expenses, by function	(134,883,570)	(118,483,907)
Other gains (losses)	7,308,466	9,329,110
Financial income	20,194,586	15,513,561
Financial expenses	(139,425,348)	(104,786,206)
Equity interest in profits (losses) of associates accounted for using the equity method	26,155,945	17,988,643
Foreign currency translation	(40,225,714)	(12,781,186)
Income from indexation units	(41,114,681)	(17,570,335)
Profit (Loss), before Taxes	540,404,860	563,722,312
Income tax expense	(101,425,824)	(122,197,121)
Profit (loss) from Non-banking Business	438,979,036	441,525,191
Banking Services (Presentation)		
Interest and indexation revenue	445,605,716	365,731,910
Interest and indexation expenses	(129,938,794)	(112,945,337)
Net Income from Interest and Indexation	315,666,922	252,786,573
Fee revenue	106,875,474	93,114,776
Fee expenses	(29,218,656)	(22,513,884)
Net Fee Income	77,656,818	70,600,892
Net income from financial operations	(1,118,943)	5,002,324
Net exchange gains (losses)	10,760,905	8,591,990
Other operating income	827,146	639,814
Provision for loan losses	(89,422,063)	(88,134,145)
Total Operating Income, net	314,370,785	249,487,448
Employee remunerations and expenses	(83,551,772)	(69,274,623)
Administrative expenses	(101,215,795)	(82,306,633)
Depreciation and amortization	(15,489,687)	(11,738,118)
Other operating expenses	(10,502,339)	(9,327,880)
Total Operating Expenses	(210,759,593)	(172,647,254)
Operating Income	103,611,192	76,840,194
Income from equity method investments in companies	358,358	305,005
Income before Income Taxes	103,969,550	77,145,199
Income tax expense	(25,843,026)	(21,562,991)
Ganancia de negocios bancarios	78,126,524	55,582,208
Profit (Loss)	517,105,560	497,107,399
Profit (loss), Attributable to:		
Owners of the parent	464,728,694	443,827,493
Non-controlling interests	52,376,866	53,279,906
Profit (Loss)	517,105,560	497,107,399
Earnings per share		
Basic earnings per share		
Basic earnings (loss) per share from continuing operations	0.1911	0.1833
Basic Earnings (Loss) per Share	0.1911	0.1833
Diluted Earnings per Share		
From continuing operations	0.1903	0.1831
Diluted Earnings (Loss) per Share	0.1903	0.1831



EARNINGS REPORT 4th Quarter 2014 SACI FALABELLA

	31-Dec-14	31-Dec-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	8,423,131,674	7,212,795,306
Classes of payments		
Payment to suppliers for supplying goods and services	(6,600,826,090)	(5,871,689,181)
Payments to and on account of employees	(854,213,160)	(729,010,101)
Income taxes refunded (paid)	(96,087,932)	(88,134,666)
Other cash inflows (outflows)	(182,442,277)	(46,222,351)
Subtotal net cash flows provided by Non-banking Business operating activities	689,562,215	477,739,007
Banking Services (Presentation)		
Consolidated net income (loss) for the period	78,126,524	55,582,208
Charges (credits) to income that do not involve cash movements:		
Depreciation and amortization	15,489,687	11,738,118
Credit risk provision	111,964,182	91,735,477
Profit losses from equity method investments	(358,358)	(305,005)
Other charges (credits) that do not involve significant cash flow movements	13,604,448	6,177,558
Net change in interest, indexations and fees accrued on assets and liabilities	(5,317,759)	(11,829)
Changes in assets and liabilities affecting cash flow:		
Net (Increase) decrease due from banks	(29,977,748)	-
Net increase in loans and accounts receivable from clients	(371,398,995)	(263,491,511)
Net decrease in instruments held for trading	32,388,060	(172,932,166)
Increase in deposits and other demand obligations	74,182,743	37,033,961
Increase in repurchase agreements and share loans	166,881,822	306,558,654
Increase in obligations with banks	19,909,293	50,683
Other	(16,237,180)	(7,256,411)
Subtotal net cash flows provided by (used in) Banking Services operating activities	89,256,719	64,879,737
Net cash flows provided by operating activities	778,818,934	542,618,744
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)	(31,880,694)
Cash flows used in the purchase of non-controlling interests	(4,571,220)	(5,281,209)
Other charges on the sale of equity or debt instruments of other parties	-	5,000,000
Loans to related parties	(1,161,013)	(1,032,497)
Proceeds from disposal of property, plant and equipment	3,342,178	20,800,399
Additions to property, plant and equipment	(368,093,957)	(333,737,406)
Proceeds from intangible assets	-	26,504
Additions to intangible assets	(31,274,803)	(18,061,444)
Proceeds from other long-term assets	488,038	1,788,051
Additions to other long-term assets	(175,579,140)	(195,595,955)
Dividends received	4,544,614	6,347,408
Interest received	19,826,717	27,022,731
Other cash inflows (outflows)	18,574,471	(695,517)
Subtotal net cash flows used in investing activities in the Non-banking Business	(824,794,603)	(525,299,629)
Banking Services		
Net (Increase) decrease in investment securities available for sale	(2,958,934)	(38,425,898)
Additions to property, plant and equipment	(20,735,628)	(19,303,844)
Sale of fixed assets	1,192,444	-
Dividends received from investments in societies	202,870	569,812
Other	1,733,156	(1,255,915)
Subtotal net cash flows provided by (used in) Banking Services investing activities	(20,566,092)	(58,415,845)
Net cash flows provided by (used in) investing activities	(845,360,695)	(583,715,474)
Cash flows provided by (used in) financing activities		
Non-banking Business		
Proceeds from issuance of shares	53,379,941	22,000,432
Payments to acquire own shares	(3,495,432)	-
Proceeds from long-term loans	833,657,276	824,308,835
Proceeds from short-term loans	2,599,217,628	1,303,207,432
Total proceeds from loans	3,432,874,904	2,127,516,267
Payment of loans	(3,101,725,973)	(1,781,628,504)
Payment of financial lease liabilities	(17,297,516)	(16,096,399)
Dividends paid	(179,029,165)	(171,186,004)
Interest paid	(88,246,885)	(66,205,522)
Other cash inflows (outflows)	4,235,845	3,570,636
Subtotal net cash flows provided by (used in) Non-banking Business financing activities	100,695,719	117,970,906
Banking Services (Presentation)		
Redemption of letters of credit	(6,246,302)	(12,266,273)
Bond payments and other long term loans	(40,303,374)	40,837,546
Other	(38,741,239)	(35,101,326)
Subtotal net cash flows provided by (used in) Banking Services financing activities	(85,290,915)	(6,530,053)
Net cash flows used in financing activities	15,404,804	111,440,853
Net increase in cash and cash equivalents, before the effect of changes in the exchange rate	(51,136,957)	70,344,123
Effects of changes in the exchange rate on cash and cash equivalents		
Effects of changes in the exchange rate on cash and cash equivalents	13,573,178	9,039,881
Net increase (decrease) in cash and cash equivalents	(37,563,779)	79,384,004
Cash and cash equivalents at beginning of period	647,689,942	568,305,938
Cash and cash equivalents at end of period	610,126,163	647,689,942



EARNINGS REPORT 4th Quarter 2014 **SACI FALABELLA**

Cash Flow – Chilean Operations (MCLP)

December 2014	Department Stores	Home Improvement	Supermarkets	Promotora CMR	Banco Falabella	Plaza S.A.
Cash flow from operating activities	122,839	94,174	20,043	59,274	38,035	170,477
Cash flow from investing activities	(151,613)	(40,620)	(31,640)	(24,453)	(8,620)	(165,870)
Cash flow from financing activities	38,885	(54,434)	13,326	(25,957)	(20,448)	(90,605)
Increase (decrease) in cash and cash equivalents	10,111	(880)	1,729	8,864	8,967	(85,998)
Impact of exchange rate differences on cash and cash equivalents	(53)	510	(3)	10	0	(154)
Cash and cash equivalents at the beginning of the period	32,873	21,017	9,833	4,284	236,906	101,928
Cash and cash equivalents at the end of the period	42,931	20,646	11,559	13,157	245,872	15,776

December 2013	Department Stores	Home Improvement	Supermarkets	Promotora CMR	Banco Falabella	Plaza S.A.
Cash flow from operating activities	46,572	143,969	39,998	93,621	1,672	162,119
Cash flow from investing activities	(189,726)	(38,359)	(42,232)	2,962	(8,237)	(222,169)
Cash flow from financing activities	128,143	(106,440)	(4,254)	(100,049)	(18,881)	117,845
Increase (decrease) in cash and cash equivalents	(15,011)	(830)	(6,488)	(3,466)	(25,445)	57,795
Impact of exchange rate differences on cash and cash equivalents	216	342	(3)	0	0	(19)
Cash and cash equivalents at the beginning of the period	47,656	21,505	16,323	7,749	262,351	44,152
Cash and cash equivalents at the end of the period	32,861	21,017	9,833	4,284	236,906	101,928

Cash Flow – International Operations (MCLP)

December 2014	Peru	Colombia	Argentina	Brazil
Cash flow from operating activities	161,959	(6,356)	2,483	1,595
Cash flow from investing activities	(465,608)	(81,767)	(19,616)	(25,677)
Cash flow from financing activities	305,833	102,151	16,520	10,457
Increase (decrease) in cash and cash equivalents	2,184	14,028	(613)	(13,625)
Impact of exchange rate differences on cash and cash equivalents	15,927	(3,226)	(917)	1,179
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	183,232	48,215	4,307	10,845

December 2013	Peru	Colombia	Argentina	Brazil
Cash flow from operating activities	114,182	6,329	(18,293)	(15,542)
Cash flow from investing activities	(112,238)	(45,288)	(12,314)	418
Cash flow from financing activities	49,155	42,462	24,692	37,679
Increase (decrease) in cash and cash equivalents	51,099	3,503	(5,914)	22,554
Impact of exchange rate differences on cash and cash equivalents	(88)	(999)	(1,003)	(251)
Cash and cash equivalents at the beginning of the period	114,110	34,909	12,754	559
Cash and cash equivalents at the end of the period	165,121	37,414	5,837	22,863



EARNINGS REPORT 4th Quarter 2014 **SACI FALABELLA**



S.A.C.I. Falabella

Address:

Manuel Rodríguez Norte 730
Santiago, Chile

Contacts:

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

Website:

www.falabella.com/inversionistas

S.A.C.I. Falabella assumes no liability for damages, injuries or losses that may result from the interpretation of this report or the evolution of markets, in particular the Stock Exchange.



f....