

SACI FALABELLA



# EARNINGS REPORT

4<sup>th</sup> QUARTER 2015

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## EARNINGS REPORT 4<sup>th</sup> QUARTER 2015 **SACI FALABELLA**

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#### Notes:

- All dollar figures are calculated based on the observed exchange rate as of January 4<sup>th</sup> 2016: 710.16 \$/US\$.
- Symbols for quarters: 1Q, 2Q, 3Q y 4Q, accordingly.
- Symbols for other periods of the year: 1H for the first half of the year and 9M for the first nine months of the year.
- Currency symbols: \$: Chilean pesos; CLP: Chilean pesos; US\$: U.S. dollars; PEN: Peruvian soles; COP: Colombian pesos; ARS: Argentine pesos; BRL: Brazilian reales.
- M: million; TH: thousand.



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### **I. Executive Summary**

Consolidated revenues in the fourth quarter of 2015 reached \$2,407,361 million (MUS\$ 3,390), which represents 6.6% growth compared to the same period last year. Full year revenues reached \$8,381,944 million (MUS\$ 11,803), 10.4% more than 2014. In the fourth quarter, the increase in revenue is primarily attributable to an increase in sales area (5.3%), due to the opening of 23 new stores over the last 12 months, and SSS growth in Chile. In 2015, 42% of the Group's consolidated revenues came from operations outside of Chile.

The consolidated loan portfolio, as of December 31<sup>st</sup>, 2015, reached \$4,153,726 million (MUS\$ 5,849), a 13.3% increase with respect to 2014, with growth in every country (in local currency). Provisions to gross loans remained within a stable range, year over year, in all countries.

Gross profit this quarter rose to \$891,383 million (MUS\$ 1,255), 7.5% higher YoY, while gross margin increased 29 basis points in the same period. This gross margin expansion is primarily attributable to Falabella, Sodimac and Tottus, due to a more targeted purchasing strategy and lower markdowns, as well as the positive impact of variations in the sales mix. Full year gross profit reached \$3,014,556 million (MUS\$ 4,245), 11.7% higher YoY, with a 43 basis points gross margin improvement.

SG&A this quarter reached \$586,256 million (MUS\$ 826), 11% higher than the same period last year, and as a percentage of sales, SG&A increased by 96 basis points. This increase as a percentage of sales is attributable to an increase in IT expenses, inflation-adjusted expenses, expenses related to the ramp up of the Sodimac operation in Brazil and a higher YoY contribution from the Argentina business (with an SG&A/revenue which is higher than consolidated SG&A/revenue), among other factors. In 2015 SG&A reached \$2,139,631 million (MUS\$ 3,013), 13.4% more than the prior year.

Fourth quarter consolidated EBITDA reached \$369,377 million (MUS\$ 520), a 3.4% YoY increase, with an EBITDA margin of 15.3%, 48 basis points less than the same period last year. Consolidated EBITDA for the full year 2015 reached \$1,113,884 million (MUS\$ 1,568), 9.8% more YoY.

Consolidated net income this quarter reached \$204,031 million (MUS\$ 287), a 10.4% increase with regards to the same period last year. Full year 2015 net income reached \$519,951 million (MUS\$ 732), an 11.9% increase with regards to 2014. Net income does not include gains or losses from asset revaluations of investment properties, as the Company adopted the historic cost method in 2009.

In the fourth quarter, the Company inaugurated Open Plaza Cajamarca in Peru and launched 13 new stores in the region. In Brazil, the Group opened its second Sodimac store in the country, in the municipality of Ribeirao Preto in the state of Sao Paulo. Sodimac also inaugurated a new store in Chile, in the city of Copiapo; and in Colombia, in Yopal. Falabella opened two department stores in Colombia: one in Chia, to the north of Bogota; and one in Cali. Tottus inaugurated seven new stores: four in Chile (in Santiago, Maitencillo, Talca and Copiapo) and three in Peru (Lima, Huaral and Huacho). This quarter, the Falabella Group also opened the first Crate & Barrel store in South America, in Lima, Peru, in the Jockey Plaza shopping center. Crate & Barrel is a home furnishings and accessories specialty retailer. During the period, the Company inaugurated two new distribution centers: one in Colombia for the Sodimac business and one in Peru for perishable products, for Tottus.



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### II. Consolidated Financial Results, as of December, 2015

#### Consolidated Income Statement 4Q 2015 (MCLP)<sup>1</sup>

|                                    | 4Q14             | % Rev.        | 4Q15             | % Rev.        | Var %         |
|------------------------------------|------------------|---------------|------------------|---------------|---------------|
| Revenues of Non-Banking Operations | 2,108,830        |               | 2,237,934        |               | 6.1%          |
| Revenues of Banking Operations     | 148,738          |               | 169,427          |               | 13.9%         |
| <b>Total Revenues</b>              | <b>2,257,568</b> | <b>100.0%</b> | <b>2,407,361</b> | <b>100.0%</b> | <b>6.6%</b>   |
| COGS of Non-Banking Operations     | (1,365,694)      | -64.8%        | (1,438,423)      | -64.3%        | 5.3%          |
| COGS of Banking Operations         | (62,492)         | -42.0%        | (77,555)         | -45.8%        | 24.1%         |
| <b>Gross Profit</b>                | <b>829,382</b>   | <b>36.7%</b>  | <b>891,383</b>   | <b>37.0%</b>  | <b>7.5%</b>   |
| SG&A Expenses                      | (528,113)        | -23.4%        | (586,256)        | -24.4%        | 11.0%         |
| <b>Operational Income</b>          | <b>301,269</b>   | <b>13.3%</b>  | <b>305,127</b>   | <b>12.7%</b>  | <b>1.3%</b>   |
| Depreciation + Amortization        | 56,020           | 2.5%          | 64,250           | 2.7%          | 14.7%         |
| <b>EBITDA</b>                      | <b>357,289</b>   | <b>15.8%</b>  | <b>369,377</b>   | <b>15.3%</b>  | <b>3.4%</b>   |
| Other Income / (Expenses)          | 7,054            |               | 37,801           |               | 435.9%        |
| Net Financial Income / (Cost)      | (47,640)         |               | (51,242)         |               | 7.6%          |
| Profit / (Loss) in Associates      | 8,751            |               | 8,181            |               | -6.5%         |
| Exchange Rate Differences          | (17,416)         |               | (1,652)          |               | -90.5%        |
| <b>Non-Operating Profit</b>        | <b>(49,251)</b>  | <b>-2.2%</b>  | <b>(6,912)</b>   | <b>-0.3%</b>  | <b>-86.0%</b> |
| <b>Profit Before Tax Expenses</b>  | <b>252,018</b>   | <b>11.2%</b>  | <b>298,216</b>   | <b>12.4%</b>  | <b>18.3%</b>  |
| Income Tax                         | (45,489)         |               | (71,224)         |               | 56.6%         |
| Minority Interest                  | (21,741)         |               | (22,961)         |               | 5.6%          |
| <b>Net Profit / (Loss)</b>         | <b>184,788</b>   | <b>8.2%</b>   | <b>204,031</b>   | <b>8.5%</b>   | <b>10.4%</b>  |

#### Consolidated Income Statement 12M 2015 (MCLP)

|                                    | 12M14            | % Rev.        | 12M15            | % Rev.        | Var %         |
|------------------------------------|------------------|---------------|------------------|---------------|---------------|
| Revenues of Non-Banking Operations | 7,038,380        |               | 7,758,561        |               | 10.2%         |
| Revenues of Banking Operations     | 553,308          |               | 623,383          |               | 12.7%         |
| <b>Total Revenues</b>              | <b>7,591,688</b> | <b>100.0%</b> | <b>8,381,944</b> | <b>100.0%</b> | <b>10.4%</b>  |
| COGS of Non-Banking Operations     | (4,654,989)      | -66.1%        | (5,096,909)      | -65.7%        | 9.5%          |
| COGS of Banking Operations         | (238,938)        | -43.2%        | (270,480)        | -43.4%        | 13.2%         |
| <b>Gross Profit</b>                | <b>2,697,762</b> | <b>35.5%</b>  | <b>3,014,556</b> | <b>36.0%</b>  | <b>11.7%</b>  |
| SG&A Expenses                      | (1,887,397)      | -24.9%        | (2,139,631)      | -25.5%        | 13.4%         |
| <b>Operational Income</b>          | <b>810,365</b>   | <b>10.7%</b>  | <b>874,925</b>   | <b>10.4%</b>  | <b>8.0%</b>   |
| Depreciation + Amortization        | 204,442          | 2.7%          | 238,959          | 2.9%          | 16.9%         |
| <b>EBITDA</b>                      | <b>1,014,807</b> | <b>13.4%</b>  | <b>1,113,884</b> | <b>13.3%</b>  | <b>9.8%</b>   |
| Other Income / (Expenses)          | 8,506            |               | 33,615           |               | 295.2%        |
| Net Financial Income / (Cost)      | (160,784)        |               | (173,619)        |               | 8.0%          |
| Profit / (Loss) in Associates      | 26,514           |               | 25,804           |               | -2.7%         |
| Exchange Rate Differences          | (40,227)         |               | (18,209)         |               | -54.7%        |
| <b>Non-Operating Profit</b>        | <b>(165,990)</b> | <b>-2.2%</b>  | <b>(132,410)</b> | <b>-1.6%</b>  | <b>-20.2%</b> |
| <b>Profit Before Tax Expenses</b>  | <b>644,374</b>   | <b>8.5%</b>   | <b>742,516</b>   | <b>8.9%</b>   | <b>15.2%</b>  |
| Income Tax                         | (127,269)        |               | (168,534)        |               | 32.4%         |
| Minority Interest                  | (52,377)         |               | (54,031)         |               | 3.2%          |
| <b>Net Profit / (Loss)</b>         | <b>464,729</b>   | <b>6.1%</b>   | <b>519,951</b>   | <b>6.2%</b>   | <b>11.9%</b>  |

<sup>1</sup> CMR Chile and CMR Argentina are included in the Non-Banking Operations.



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### Summary of Consolidated Balance Sheet, December 31<sup>th</sup>, 2015 (MCLP)

|   | 12/31/2014        | 12/31/2015        | Var %        |
|---|-------------------|-------------------|--------------|
| Current Assets - Non Banking Business           | 2,868,537         | 3,237,792         | 12.9%        |
| Non Current Assets - Non Banking Business       | 5,481,152         | 5,855,381         | 6.8%         |
| <b>Total Assets - Non Banking Business</b>      | <b>8,349,690</b>  | <b>9,093,173</b>  | <b>8.9%</b>  |
| <b>Total Assets - Banking Business</b>          | <b>2,997,270</b>  | <b>3,513,824</b>  | <b>17.2%</b> |
| <b>Total Assets</b>                             | <b>11,346,960</b> | <b>12,606,997</b> | <b>11.1%</b> |
| Current Liabilities - Non Banking Business      | 1,988,584         | 2,079,647         | 4.6%         |
| Non Current Liabilities - Non Banking Business  | 2,755,524         | 3,145,538         | 14.2%        |
| <b>Total Liabilities - Non Banking Business</b> | <b>4,744,108</b>  | <b>5,225,185</b>  | <b>10.1%</b> |
| <b>Total Liabilities - Banking Business</b>     | <b>2,464,586</b>  | <b>2,938,520</b>  | <b>19.2%</b> |
| <b>Total Liabilities</b>                        | <b>7,208,695</b>  | <b>8,163,706</b>  | <b>13.2%</b> |
| <b>Total Equity</b>                             | <b>4,138,265</b>  | <b>4,443,291</b>  | <b>7.4%</b>  |
| <b>Total Liabilities + Equity</b>               | <b>11,346,960</b> | <b>12,606,997</b> | <b>11.1%</b> |

### Summary of Consolidated Cash Flow, December 31<sup>th</sup>, 2015 (MCLP)

|  | 12/31/2014       | 12/31/2015       | Var %          |
|--|------------------|------------------|----------------|
| Cash flow from operating activities - Non Banking Business       | 689,562          | 549,170          | -20.4%         |
| Cash flow from operating activities - Banking Business           | 89,257           | 231,718          | 159.6%         |
| <b>Cash flow from operating activities</b>                       | <b>778,819</b>   | <b>780,889</b>   | <b>0.3%</b>    |
| Cash flow from investment activities - Non Banking Business      | (824,795)        | (466,049)        | -43.5%         |
| Cash flow from investment activities - Banking Business          | (20,566)         | (183,838)        | 793.9%         |
| <b>Cash flow from investment activities</b>                      | <b>(845,361)</b> | <b>(649,887)</b> | <b>-23.1%</b>  |
| Cash flow from financing activities - Non Banking Business       | 100,696          | (113,645)        | -212.9%        |
| Cash flow from financing activities - Banking Business           | (85,291)         | 40,695           | -147.7%        |
| <b>Cash flow from financing activities</b>                       | <b>15,405</b>    | <b>(72,950)</b>  | <b>-573.6%</b> |
| <b>Increase (decrease) in cash and cash equivalents</b>          | <b>(51,137)</b>  | <b>58,052</b>    | <b>-213.5%</b> |
| Impact of exchange rate differences on cash and cash equivalents | 13,573           | (7,119)          | -152.4%        |
| <b>Cash and cash equivalents at the beginning of the period</b>  | <b>647,690</b>   | <b>610,126</b>   | <b>-5.8%</b>   |
| <b>Cash and cash equivalents at the end of the period</b>        | <b>610,126</b>   | <b>661,059</b>   | <b>8.3%</b>    |



### III. Main Events during the Period

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### **Events after the period**

- In January the Falabella Group announced its updated four-year investment plan, for the 2016-19 period. The Company plans to invest US\$4,038 million:
  - 44% will be allocated to the opening of 131 new stores and 10 new shopping centers.
  - 30% will be invested in logistics (including new DC's) and IT, in order to continue to grow the Company's omnichannel operations, as well as to achieve higher levels of efficiency and productivity across the different business units in each country.
  - 26% will be used to increase selling area and remodel existing stores and shopping centers.





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### **IV. 4th Quarter 2015 Results**

#### **1. Operating Results**

##### **Revenues**

In the fourth quarter of 2015, consolidated revenues reached \$2,407,361 million (MUS\$ 3,390), which represents 6.6% YoY growth. This growth was driven, in part, by an increase in sales area, given that approximately 137,000 m<sup>2</sup> were added in the last 12 months, with the opening of 23 new stores (two stores closed: a Dicico in Brazil and an Expo Falabella in Chile). Revenues also increased as a result of SSS growth, especially in Chile, and loan book growth in the Company's financial services operations. The depreciation of the COP, BRL and ARS against the CLP offset part of this growth. Also, this quarter the comparison base is higher, given that last year during this period the Company began to consolidate Maestro's financial results. During the 9M15 period, Maestro contributed 4% of the Group's consolidated YoY revenue growth.

All of the Company's business units in Chile contributed to consolidated revenue growth this quarter. Given their relative size, Sodimac and Falabella, which reported 7.3% and 8% growth, respectively, contributed the most to revenue growth in Chile. In the case of Sodimac, topline growth was driven by a 4.9% increase in SSS and three new store openings in the last 12 months. Department stores reported 8.7% SSS growth this quarter and opened one new store in the last year (and closed an Expo Falabella). The SSS growth at Falabella this quarter is explained, in part, by a recovery in home electronics sales, continued growth in omnichannel sales (Cyberday in November) and positive results from our recently remodeled stores, particularly in our junior women's departments. Tottus reported an 8.5% increase in revenues this quarter, driven by 2.7% SSS growth and the opening of five new stores in the last 12 months. Plaza's revenues increased by 6.3%, driven, in part, by the 1.9% increase in leasable area, due to the opening of new sections of Mall Plaza Egaña and Mall Plaza Copiapo.

CMR reported a 19.3% increase in revenues this quarter, driven primarily by a 12.7% increase in its loan portfolio. Banco Falabella Chile's revenues grew by 5.4%, explained by an 8% increase in gross loans, which was partially offset by a decrease in inflation-adjusted income, given that the Unidad de Fomento (U.F.) increased 1.1% in 4Q15, compared to 1.9% in the same period last year.

In Peru revenues increased by 5.4%, primarily due to Banco Falabella Peru, which reported a 27.1% increase in gross loans (in local currency); new store openings, which increased sales area in the country by 3.5% in the last year; and by the appreciation of the PEN against the CLP. These growth drivers were partially offset by weak consumer demand and lower sales of spring/summer products due to unusually cold temperatures at the beginning of the season, which impacted SSS at all three of the retail formats. Sodimac, which also faced weakness in the construction sector, reported -5.5% SSS, which resulted in -1.7% revenue growth (-4.4% in local currency). Saga Falabella's revenues increased by 5% (2.7% in local currency), explained by the opening of two new stores in the last year, partially offset by -0.7% SSS. Tottus reported 4.2% revenue growth (1.7% in local currency), driven by the incorporation of three new stores in the last 12 months and -1.9% SSS.

In the case of Colombia, revenues were down 10.9%, primarily as a result of the pronounced depreciation of the COP against the CLP and the deterioration of consumer sentiment. This holiday season, the department store, which had recently opened two new locations, also faced higher promotional activity, which contributed to the -6% SSS and 15.1% decline in revenues (a 2.3% increase, in local currency). Banco Falabella Colombia's loan book increased by 18.7% (in local currency). Argentina reported a 21.3% increase in revenue this quarter, driven primarily by SSS growth at Sodimac and Falabella. Brazil's revenues were, once again, impacted by the depreciation of the local currency and generally weak consumer demand.





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### **Gross Income**

Gross income this quarter reached \$891,383 million (MUS\$ 1,255), a 7.5% increase with respect to the same period last year, with a gross margin of 37%, which was 29 basis points higher, year-over-year.

In Chile, the business units that contributed the most to this gross margin expansion were home improvement and department stores. Sodimac's gross margin improved by 61 basis points, primarily due to product mix. Department stores reported an increase of 69 basis points in gross margin, largely attributable to its purchasing strategy and product mix. Tottus reported a 125 basis points improvement in gross margin primarily due to more favorable purchasing terms and less shrinkage. CMR's gross margin increased by 185 basis points, explained by the growth in its loan book with stable risk. Banco Falabella's gross margin decreased by 235 basis points, primarily due to a difficult comparison base given the reversal of provisions in the same period last year. Plaza reported a 338 basis points decline in gross margin, primarily due to an increase in depreciation this quarter.

Peru's gross margin increased 28 basis points, primarily due to more favorable purchasing terms and less shrinkage. In Colombia, gross margin deteriorated by 185 basis points, largely due to higher markdowns at the department store and inflation-linked costs at Banco Falabella. In Argentina, the gross margin increased by 271 basis points, primarily driven by less markdowns at the department store. Brazil reported a 178 basis point increase in gross margin, largely explained by more favorable purchasing terms and less shrinkage.

### **Selling, General and Administrative Expenses**

SG&A expenses amounted to \$586,256 million (MUS\$ 826) in the fourth quarter, 11% higher than the same period last year, while as a percentage of sales, SG&A increased by 96 basis points. This increase is explained, in part, by higher IT expenses at a regional level, inflation-adjusted expenses and expenses related to the roll out of the Sodimac operation in Brazil. Another factor was the increased contribution from the Argentina operation (which reported 21.3% sales growth), given its SG&A/sales (39.2% in 4Q15) is higher than the consolidated figure (24.4%).

In Chile Sodimac reported an increase of 136 basis points in SG&A/sales, primarily due to higher labor expenses, increased electricity tariffs and higher IT expenses. Tottus registered a 61 basis point increase explained by higher maintenances expenses and increased electricity tariffs. Plaza reported a 152 basis point increase, primarily due to expenses associated with the continuation of operations at Mall Plaza Copiapo. These higher expenses were partially offset by the department store, which improved its SG&A/sales by 58 basis points, primarily due to revenue growth and fixed cost dilution. CMR and Banco Falabella also improved SG&A/revenue, by 146 and 101 basis points, respectively, thanks to revenue growth and operating leverage.

In Peru, all three retail formats reported higher expenses as a percentage of revenues, primarily due to lower fixed cost dilution given weak SSS growth. In Brazil, SG&A/revenue deteriorated mainly due to lower fixed expense dilution and the pre-opening expenses of the new store. Argentina also reported expenses under pressure, primarily due to the department store. Colombia improved SG&A/sales by 43 basis points, driven by the bank, thanks to higher fixed cost dilution.

## **2. Non-Operating Results and Net Income**

Consolidated non-operating results reached a net expense of \$6,912 million (MUS\$ 10), which is 86% lower than 4Q14. This decrease is largely attributable to other income, which reached \$37,801 million (MUS\$ 53) this quarter, a 435.9% increase with respect to the same period last year. This increase is attributable, in part, to insurance compensation for damages resulting from the floods in the north of Chile earlier this year. This account also reflects extraordinary income from indemnification received, related to Maestro.

The exchange rate differences expense this quarter was \$1,652 million (MUS\$ 2), 90.5% lower than the same period last year. The primary reason for the variation was the depreciation of the CLP/USD last year and the impact that this had against the USD dollar debt issued for the purpose of acquiring Maestro, given that the Company had primarily used forwards to hedge the capital of this USD dollar debt. According to IFRS, income from forwards is recorded in a different line item, as "net financial income". This quarter, on the other hand, this



debt is fully hedged with swaps, which under IFRS, may be accounted for in the same line item as the gains/loss from FX variations on debt. As of 4Q15, S.A.C.I. Falabella has two bonds, one for MUS\$ 500 and another for MUS\$ 400, both of which have both capital and interest fully hedged, with swaps, to maturity.

The net gain from affiliated companies decreased 6.5% this quarter, primarily because of a high comparison base in Aventura Plaza. In 4Q14, the subsidiary registered extraordinary income related to the implementation of the tax reform in Peru, which brought down the corporate tax rate to 26% from 30%.

As a result, net income for the period reached \$204,031 million (MUS\$ 287), 10.4% higher than the same period last year. Net income does not include gains or losses from asset revaluations of investment properties, as the Company adopted the historic cost method in 2009.

Non-banking current assets increased \$369,254 million (MUS\$ 520) with regards to year-end 2014, primarily as a result of an increase in trade and other accounts receivable and an increase in inventory. Non-banking long term assets increased \$374,229 million (MUS\$ 527), mainly due to an increase in property, plant and equipment; investment properties; and other long term financial assets. FX fluctuations contributed to an increase in other long term financial assets. The increase in investment properties and property, plant and equipment reflect the investment in new facilities, as well as expansions and renovations of existing stores and shopping centers. In the case of the banking business, total assets increased by \$516,553 million (MUS\$ 727), compared to December 2014, mainly due to more loans and accounts receivable from clients and available for sale instruments, due to a higher level of activity in the business. As a result, total assets increased \$1,260,037 million (MUS\$ 1,774).

Non-banking current liabilities increased by \$91,063 million (MUS\$ 128) compared to December 2014, mainly explained by higher trade and other accounts payable, due to a higher level activity in the business. Non-banking long term liabilities increased \$390,014 million (MUS\$ 549) due to the increase in other non-current financial liabilities, which increased primarily as a result of a transfer of short-term debt to long-term financial debt and due to the FX impact on USD-denominated bonds. Total liabilities of the banking business increased \$473,934 million (MUS\$ 667) due to time deposits and other term deposits. As a result, total liabilities increased \$955,011 million (MUS\$ 1,345).

Non-banking business cash flow from operating activities decreased \$140,392 million (MUS\$ 198) as of December 2015, compared to the same period last year, mainly as a result of higher payments to suppliers, primarily from the department store business, given the strategy of introducing new collections sooner and improve inventory management, in line with the activity of the business. Banking business cash flow from operating activities increased \$142,462 million (MUS\$ 201), primarily due to an increase in deposits and other time deposits. As a result, consolidated cash flow from operating activities increased \$2,070 million (MUS\$ 3) in the period.

Non-banking business cash flow from investment activities was \$358,746 million (MUS\$ 505) less negative than in the same period last year, mainly due to the Maestro acquisition in September of 2014, less additions to property, plant and equipment, and less acquisitions of other long-term assets. Banking business cash flow from investment activities was \$163,272 million (MUS\$ 230) more negative with respect to the same period last year, mainly due to a net increase in investment securities available for sale. As a result, cash flow from consolidated investment activities as of December 2015 was \$195,474 million (MUS\$ 275) less negative than in the same period last year.



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Non-banking business cash flow from financing activities as of December 2015 was \$214,341 million (MUS\$ 302) more negative than last year, mainly explained by lower proceeds from long-term loans than last year, given the financing of the acquisition of Maestro last year. Banking business cash flow from financing activities was \$125,986 million (MUS\$ 177) less negative than the same period last year due to lower debt payments and due to bond issuances from Banco Falabella. As a result, consolidated cash flow from financing activities was \$88,355 million (MUS\$ 124) more negative than the same period last year.



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### V. Retail Indicators

#### 1. Retail Business Revenues

##### Retail Revenues 4Q 2015 (MUS\$) <sup>2,3,4</sup>

|                   | 4Q14  | 4Q15  | Var %  | Var Local Currency % |
|-------------------|-------|-------|--------|----------------------|
| <b>Chile</b>      |       |       |        |                      |
| Department Stores | 568.3 | 613.8 | 8.0%   | 8.0%                 |
| Home Improvement  | 689.2 | 739.7 | 7.3%   | 7.3%                 |
| Supermarkets      | 240.5 | 260.8 | 8.5%   | 8.5%                 |
| <b>Peru</b>       |       |       |        |                      |
| Department Stores | 250.1 | 262.6 | 5.0%   | 2.7%                 |
| Home Improvement  | 237.8 | 233.8 | -1.7%  | -4.4%                |
| Supermarkets      | 255.2 | 266.0 | 4.2%   | 1.7%                 |
| <b>Colombia</b>   |       |       |        |                      |
| Department Stores | 197.7 | 167.9 | -15.1% | 2.3%                 |
| Home Improvement  | 308.8 | 294.0 | -4.8%  | 15.3%                |
| <b>Argentina</b>  |       |       |        |                      |
| Department Stores | 150.8 | 170.1 | 12.8%  | 14.6%                |
| Home Improvement  | 66.8  | 90.7  | 35.7%  | 37.1%                |
| <b>Brazil</b>     |       |       |        |                      |
| Home Improvement  | 69.7  | 53.7  | -22.9% | 0.0%                 |

##### Retail Revenues 12M 2015 (MUS\$)

|                   | 12M14   | 12M15   | Var %  | Var Local Currency <sup>2</sup> % |
|-------------------|---------|---------|--------|-----------------------------------|
| <b>Chile</b>      |         |         |        |                                   |
| Department Stores | 1,831.2 | 1,908.4 | 4.2%   | 4.2%                              |
| Home Improvement  | 2,580.2 | 2,778.5 | 7.7%   | 7.7%                              |
| Supermarkets      | 858.1   | 939.7   | 9.5%   | 9.5%                              |
| <b>Peru</b>       |         |         |        |                                   |
| Department Stores | 795.1   | 831.6   | 4.6%   | 2.6%                              |
| Home Improvement  | 593.2   | 902.2   | 52.1%  | 49.2%                             |
| Supermarkets      | 843.8   | 913.8   | 8.3%   | 6.2%                              |
| <b>Colombia</b>   |         |         |        |                                   |
| Department Stores | 531.7   | 481.6   | -9.4%  | 8.1%                              |
| Home Improvement  | 1,149.9 | 1,095.6 | -4.7%  | 14.0%                             |
| <b>Argentina</b>  |         |         |        |                                   |
| Department Stores | 487.0   | 559.1   | 14.8%  | 14.1%                             |
| Home Improvement  | 202.6   | 299.3   | 47.7%  | 46.7%                             |
| <b>Brazil</b>     |         |         |        |                                   |
| Home Improvement  | 281.7   | 232.1   | -17.6% | 1.0%                              |

<sup>2</sup> Does not include revenue from the credit business.

<sup>3</sup> Nominal Chilean pesos converted to US\$ at the observed exchange rate as of January 4<sup>th</sup> 2016, both for the current period and same period last year.

<sup>4</sup> Revenue variation and revenue variation in local currency: the first shows revenue variation in CLP and the second, in local currency.



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### Same Store Sales (SSS) Nominal Growth <sup>5,6,7,8</sup>

|                   | 1Q14  | 2Q14  | 3Q14  | 4Q14  | 2014  | 1Q15  | 2Q15  | 3Q15  | 4Q15  | 2015  |
|-------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| <b>Chile</b>      |       |       |       |       |       |       |       |       |       |       |
| Department Stores | 5.5%  | 5.6%  | -4.5% | -0.3% | 1.5%  | 4.0%  | 2.8%  | 7.9%  | 8.7%  | 6.1%  |
| Home Improvement  | 7.2%  | 3.7%  | 4.6%  | 5.1%  | 5.3%  | 7.9%  | 8.7%  | 5.7%  | 4.9%  | 6.8%  |
| Supermarkets      | 6.5%  | 9.3%  | 5.6%  | 2.0%  | 5.5%  | 6.2%  | 4.1%  | 2.1%  | 2.7%  | 3.6%  |
| <b>Peru</b>       |       |       |       |       |       |       |       |       |       |       |
| Department Stores | 3.7%  | -3.4% | 0.6%  | -1.3% | -0.7% | -1.3% | -2.7% | -0.2% | -0.7% | -1.2% |
| Home Improvement  | -2.5% | -5.0% | -4.4% | -2.1% | -3.4% | 0.4%  | -1.9% | -4.3% | -5.5% | -3.4% |
| Supermarkets      | 5.3%  | 6.4%  | 4.9%  | 4.5%  | 5.1%  | 3.2%  | 2.1%  | 0.2%  | -1.9% | 0.7%  |
| <b>Colombia</b>   |       |       |       |       |       |       |       |       |       |       |
| Department Stores | 2.2%  | 13.6% | 8.7%  | 6.9%  | 7.8%  | 0.0%  | -1.1% | 7.1%  | -6.0% | -1.0% |
| Home Improvement  | 5.9%  | 4.1%  | 5.8%  | 6.8%  | 6.0%  | 9.5%  | 11.8% | 13.0% | 12.0% | 11.6% |
| <b>Argentina</b>  |       |       |       |       |       |       |       |       |       |       |
| Department Stores | 35.6% | 31.3% | 20.5% | 17.4% | 24.7% | 9.5%  | 11.3% | 22.4% | 20.3% | 16.4% |
| Home Improvement  | 28.8% | 21.4% | 27.1% | 26.8% | 26.1% | 41.0% | 37.9% | 36.3% | 36.4% | 37.7% |
| <b>Brazil</b>     |       |       |       |       |       |       |       |       |       |       |
| Home Improvement  | 2.2%  | -0.9% | -4.4% | -8.1% | -3.1% | -0.3% | 2.2%  | -9.0% | -8.1% | -4.0% |

<sup>5</sup> All variations are calculated in nominal terms and in the local currency of each country.

<sup>6</sup> SSS growth includes revenue generated from the online channel of each business unit.

<sup>7</sup> SSS for Home Improvement Peru include Maestro, starting from 4Q15.

<sup>8</sup> SSS calculation does not include stores that had significant changes in sales area open to the public, due to remodeling, expansions, reductions or closings.



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### 2. Number of Stores and Sales Area of Retail Businesses<sup>9,10,11</sup>

|                     | December 2014                |            | December 2015                |            |
|---------------------|------------------------------|------------|------------------------------|------------|
|                     | Sales Area (m <sup>2</sup> ) | Stores (#) | Sales Area (m <sup>2</sup> ) | Stores (#) |
| <b>Chile</b>        |                              |            |                              |            |
| Department Stores   | 306,947                      | 45         | 310,120                      | 45         |
| Home Improvement    | 684,754                      | 83         | 712,813                      | 86         |
| Supermarkets        | 182,942                      | 52         | 195,812                      | 57         |
| <b>Peru</b>         |                              |            |                              |            |
| Department Stores   | 155,226                      | 25         | 164,150                      | 27         |
| Home Improvement    | 365,049                      | 56         | 373,405                      | 57         |
| Supermarkets        | 181,781                      | 49         | 189,218                      | 52         |
| <b>Colombia</b>     |                              |            |                              |            |
| Department Stores   | 114,025                      | 18         | 128,385                      | 20         |
| Home Improvement    | 331,441                      | 34         | 344,324                      | 36         |
| <b>Argentina</b>    |                              |            |                              |            |
| Department Stores   | 57,858                       | 11         | 57,858                       | 11         |
| Home Improvement    | 83,736                       | 8          | 83,736                       | 8          |
| <b>Brazil</b>       |                              |            |                              |            |
| Home Improvement    | 120,931                      | 57         | 142,669                      | 58         |
| <b>Uruguay</b>      |                              |            |                              |            |
| Home Improvement    | - -                          | - -        | 19,211                       | 2          |
| <b>Total Stores</b> | <b>2,584,689</b>             | <b>438</b> | <b>2,721,701</b>             | <b>459</b> |

### 3. Number of Shopping Malls and GLA of Real Estate Operators<sup>12</sup>

|                          | December 2014         |                    | December 2015         |                    |
|--------------------------|-----------------------|--------------------|-----------------------|--------------------|
|                          | GLA (m <sup>2</sup> ) | Shopping Malls (#) | GLA (m <sup>2</sup> ) | Shopping Malls (#) |
| <b>Chile</b>             |                       |                    |                       |                    |
| Mall Plaza               | 1,177,000             | 15                 | 1,199,000             | 15                 |
| Open Plaza               | 234,000               | 10                 | 232,000               | 10                 |
| <b>Peru</b>              |                       |                    |                       |                    |
| Aventura Plaza           | 274,000               | 4                  | 275,000               | 4                  |
| Open Plaza               | 234,000               | 8                  | 271,000               | 10                 |
| <b>Colombia</b>          |                       |                    |                       |                    |
| Mall Plaza               | 26,000                | 1                  | 26,000                | 1                  |
| <b>Total Real Estate</b> | <b>1,945,000</b>      | <b>38</b>          | <b>2,003,000</b>      | <b>40</b>          |

Furthermore, the Group owns 1,023,000 m<sup>2</sup> of additional GLA in free standing Falabella, Sodimac, Tottus, Maestro stores and other locations. <sup>13</sup>

<sup>9</sup> During 2014 the Company's sales area measurement was updated, which explains differences with data published in December 2014.

<sup>10</sup> Sales area includes cashiers and check out areas. In the case of Tottus, this represents approximately 9% of total sales area. This definition may differ from how some peers in the industry measure their sales area, and thus, has implications when comparing sales per square meter.

<sup>11</sup> The new Crate & Barrel store is included in department stores Peru. A Dicico store in Brazil was closed in 3Q15. In Chile, the new department store in Castro replaces the Expo Falabella in the same city.

<sup>12</sup> Open Plaza includes Power Centers (shopping malls with only two anchor stores, in addition to smaller shops) and Shopping Centers (shopping malls with three anchor stores, in addition to smaller stores) and is not part of Plaza S.A.

<sup>13</sup> Does not include GLA of specialty stores of exclusive brands, such as Mango, among others.



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### 4. Sales per Square Meter of Retail Businesses

#### Sales per Square Meter – 4Q 2015 (US\$ / m<sup>2</sup>)<sup>14,15</sup>

|                   | 4Q14         | 4Q15         | Var %        |
|-------------------|--------------|--------------|--------------|
| <b>Chile</b>      |              |              |              |
| Department Stores | 1,885        | 1,974        | 4.7%         |
| Home Improvement  | 1,013        | 1,045        | 3.1%         |
| Supermarkets      | 1,344        | 1,362        | 1.4%         |
| <b>Peru</b>       |              |              |              |
| Department Stores | 1,623        | 1,610        | -0.8%        |
| Home Improvement  | 659          | 627          | -4.8%        |
| Supermarkets      | 1,471        | 1,434        | -2.5%        |
| <b>Colombia</b>   |              |              |              |
| Department Stores | 1,888        | 1,385        | -26.6%       |
| Home Improvement  | 944          | 862          | -8.7%        |
| <b>Argentina</b>  |              |              |              |
| Department Stores | 2,608        | 2,942        | 12.8%        |
| Home Improvement  | 798          | 1,083        | 35.7%        |
| <b>Brazil</b>     |              |              |              |
| Home Improvement  | 581          | 393          | -32.3%       |
| <b>TOTAL</b>      | <b>1,194</b> | <b>1,180</b> | <b>-1.2%</b> |

#### Sales per Square Meter – 12M 2015 (US\$ / m<sup>2</sup>)

|                   | 12M14        | 12M15        | Var %        |
|-------------------|--------------|--------------|--------------|
| <b>Chile</b>      |              |              |              |
| Department Stores | 6,190        | 6,187        | 0.0%         |
| Home Improvement  | 3,798        | 3,977        | 4.7%         |
| Supermarkets      | 4,874        | 5,020        | 3.0%         |
| <b>Peru</b>       |              |              |              |
| Department Stores | 5,288        | 5,250        | -0.7%        |
| Home Improvement  | 2,568        | 2,433        | -5.3%        |
| Supermarkets      | 5,039        | 4,982        | -1.1%        |
| <b>Colombia</b>   |              |              |              |
| Department Stores | 5,364        | 4,120        | -23.2%       |
| Home Improvement  | 3,551        | 3,255        | -8.3%        |
| <b>Argentina</b>  |              |              |              |
| Department Stores | 8,429        | 9,677        | 14.8%        |
| Home Improvement  | 2,588        | 3,569        | 37.9%        |
| <b>Brazil</b>     |              |              |              |
| Home Improvement  | 2,342        | 1,781        | -23.9%       |
| <b>TOTAL</b>      | <b>4,267</b> | <b>4,157</b> | <b>-2.6%</b> |

<sup>14</sup> Revenues divided by average area of the period. These figures, expressed in dollars, were translated from Chilean pesos at the October 1<sup>st</sup> 2015 observed exchange rate. Therefore, the YoY variation corresponds to the variation in Chilean pesos and not the variation in local currency. Total sales per square meter is the sum of revenues from the retail business divided by the average total surface of stores for the period. Online sales are included in the total sales figure of each business unit.

<sup>15</sup> Sales area includes cashiers and check out areas. In the case of Tottus, this represents approximately 9% of total sales area. This definition may differ from how some peers in the industry measure their sales area, and thus, has implications when comparing sales per square meter.





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### VI. Financial Indicators

#### 1. Credit Indicators<sup>16,17,18,19,20</sup>

|                                 |        | 1Q14      | 2Q14      | 3Q14      | 4Q14      | 1Q15      | 2Q15      | 3Q15      | 4Q15      |
|---------------------------------|--------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| <b>CMR Chile (Card)</b>         |        |           |           |           |           |           |           |           |           |
| Total Gross Loans               | M CLP  | 1,068,905 | 1,089,630 | 1,111,685 | 1,224,623 | 1,255,878 | 1,277,464 | 1,266,825 | 1,379,680 |
| Provisions (stock)              | M CLP  | (39,911)  | (44,582)  | (44,333)  | (42,861)  | (46,978)  | (51,619)  | (49,880)  | (47,902)  |
| Net Write-Offs                  | M CLP  | 10,536    | 18,369    | 30,695    | 41,735    | 12,412    | 23,271    | 38,540    | 52,777    |
| Open Accounts (with balance)    | #      | 2,113,062 | 2,140,968 | 2,160,685 | 2,247,183 | 2,294,285 | 2,311,288 | 2,306,532 | 2,377,164 |
| Duration                        | Months | 3.7       | 4.0       | 4.2       | 4.3       | 3.9       | 4.1       | 4.1       | 4.0       |
| Average Loan                    | CLP    | 505,856   | 508,943   | 514,506   | 544,959   | 547,394   | 552,707   | 549,234   | 580,390   |
| <b>Banco Falabella Chile</b>    |        |           |           |           |           |           |           |           |           |
| Total Gross Loans               | M CLP  | 1,240,235 | 1,264,198 | 1,278,712 | 1,311,374 | 1,329,908 | 1,346,129 | 1,375,583 | 1,416,219 |
| Provisions (stock)              | M CLP  | (60,483)  | (64,174)  | (63,639)  | (63,318)  | (65,118)  | (64,868)  | (67,503)  | (69,121)  |
| Net Write-Offs                  | M CLP  | 8,600     | 18,570    | 27,121    | 35,902    | 9,919     | 19,914    | 30,394    | 41,548    |
| <b>Banco Falabella Peru</b>     |        |           |           |           |           |           |           |           |           |
| Total Gross Loans               | M SOL  | 2,479     | 2,619     | 2,712     | 3,076     | 3,188     | 3,491     | 3,620     | 3,911     |
| Provisions (stock)              | M SOL  | (187)     | (193)     | (201)     | (213)     | (225)     | (244)     | (260)     | (279)     |
| Net Write-Offs                  | M SOL  | 26        | 52        | 75        | 98        | 26        | 67        | 111       | 164       |
| Open Accounts (with balance)    | #      | 922,545   | 948,773   | 965,078   | 1,017,653 | 1,022,313 | 1,033,171 | 1,036,351 | 1,057,033 |
| Duration                        | Months | 9.8       | 9.6       | 10.0      | 10.0      | 10.7      | 10.8      | 10.8      | 10.5      |
| Average Consumer Loan           | SOL    | 2,687     | 2,761     | 2,810     | 3,023     | 3,119     | 3,379     | 3,493     | 3,700     |
| <b>Banco Falabella Colombia</b> |        |           |           |           |           |           |           |           |           |
| Total Gross Loans               | M COP  | 1,153,403 | 1,245,697 | 1,302,908 | 1,471,806 | 1,442,319 | 1,507,428 | 1,545,704 | 1,747,486 |
| Provisions (stock)              | M COP  | (76,451)  | (78,869)  | (79,971)  | (84,922)  | (84,926)  | (92,426)  | (94,828)  | (101,774) |
| Net Write-Offs                  | M COP  | 12,788    | 24,812    | 36,689    | 49,030    | 13,764    | 27,235    | 43,525    | 61,438    |
| Open Accounts (with balance)    | #      | 722,110   | 739,464   | 749,720   | 803,984   | 792,865   | 817,481   | 829,995   | 872,172   |
| Duration                        | Months | 7.6       | 7.8       | 7.9       | 7.7       | 8.2       | 8.1       | 8.3       | 8.4       |
| Average Consumer Loan           | COP    | 1,597,268 | 1,684,595 | 1,737,859 | 1,830,641 | 1,819,124 | 1,843,991 | 1,749,925 | 2,003,603 |
| <b>CMR Argentina (Card)</b>     |        |           |           |           |           |           |           |           |           |
| Total Gross Loans               | M ARS  | 1,797     | 1,819     | 1,714     | 1,938     | 2,021     | 2,219     | 2,369     | 2,904     |
| Provisions (stock)              | M ARS  | (43)      | (53)      | (47)      | (48)      | (49)      | (52)      | (44)      | (50)      |
| Net Write-Offs                  | M ARS  | 9         | 21        | 37        | 54        | 15        | 23        | 30        | 31        |
| Open Accounts (with balance)    | #      | 539,337   | 525,034   | 512,447   | 504,244   | 528,600   | 519,261   | 512,036   | 518,875   |
| Duration                        | Months | 3.1       | 2.8       | 2.6       | 2.7       | 2.7       | 2.9       | 2.8       | 2.9       |
| Average Consumer Loan           | ARS    | 3,332     | 3,465     | 3,345     | 3,844     | 3,823     | 4,274     | 4,626     | 5,597     |

<sup>16</sup> a. CMR Chile's Loan Portfolio includes legacy car loans. New car loans are included in Banco Falabella Chile's loan book.

b. Banco Falabella Chile's provisions include additional provisions suggested by the SBIF (Superintendent of Banks and financial Institutions of Chile), the Chilean bank regulator, which are accounted for as liabilities.

c. Banco Falabella Chile's loans and provisions includes only consumer loans and, therefore, do not match those reported in the financial statements.

<sup>17</sup> Duration is calculated on a monthly basis according to the implied duration:  $1/[(\text{monthly cash flow})/(\text{gross loans})]$

<sup>18</sup> Total gross loans includes all loans, not just consumer loans.

<sup>19</sup> The CMR card was launched in 30 Maestro stores in February, contributing to Banco Falabella Peru's loan growth.

<sup>20</sup> Open accounts with balance refer to the stock of CMR accounts with less than 90 days of delinquency, voluntary transactions in the last 24 months and a balance greater than zero at any time in the period.



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### 2. Percentage of Sales with CMR Card<sup>21,22,23</sup>

|                                 | 1Q14  | 1H14  | 9M14  | 2014  | 1Q15  | 1H15  | 9M15  | 2015  |
|---------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|
| Chile - Falabella               | 51.5% | 52.9% | 53.0% | 52.7% | 50.1% | 52.0% | 52.0% | 51.3% |
| Chile - Sodimac                 | 28.4% | 28.5% | 28.3% | 28.3% | 27.5% | 27.3% | 27.3% | 27.7% |
| Chile - Tottus                  | 17.4% | 18.6% | 19.5% | 19.6% | 19.0% | 19.4% | 19.8% | 20.2% |
| Peru - Saga, Sodimac & Tottus   | 39.5% | 41.9% | 41.8% | 42.5% | 35.1% | 37.5% | 37.9% | 38.7% |
| Colombia - Falabella & Sodimac  | 22.6% | 24.7% | 24.6% | 25.7% | 22.3% | 24.3% | 23.9% | 24.5% |
| Argentina - Falabella & Sodimac | 26.1% | 27.7% | 26.7% | 25.7% | 25.2% | 25.1% | 24.9% | 24.6% |

<sup>21</sup> Percentage of Sales with CMR Card: The amount of sales revenue, as a percentage of total sales for that retail format, that corresponds to transactions made with a CMR credit card.

<sup>22</sup> As of January of 2015, in the calculation of the use of CMR at Falabella, when the transaction involved an additional method of payment, in addition to the CMR card, this amount was excluded from the calculation. For comparison purposes, this new methodology is applied to historical periods.

<sup>23</sup> Includes Maestro as of 1Q15.



## EARNINGS REPORT 4<sup>th</sup> QUARTER 2015 **SACI FALABELLA**

### VII. Other Indicators

#### Average Collection Period,<sup>24</sup> Average Payment Period and Inventory Turnover<sup>25</sup>

##### Chile

|                           | Dep. Stores |      | Home Improv. |      | Supermarkets |      | Promotora CMR |       | Plaza S.A. |      |
|---------------------------|-------------|------|--------------|------|--------------|------|---------------|-------|------------|------|
|                           | 4Q14        | 4Q15 | 4Q14         | 4Q15 | 4Q14         | 4Q15 | 4Q14          | 4Q15  | 4Q14       | 4Q15 |
| Average Collection Period | 6.8         | 7.8  | 25.1         | 24.8 | 2.9          | 3.9  | 129.0         | 120.0 | 36.0       | 35.0 |
| Average Payment Period    | 41.2        | 38.3 | 43.8         | 45.1 | 40.0         | 39.0 | NM            | NM    | NM         | NM   |
| Inventory Turnover (days) | 65.7        | 75.4 | 74.1         | 73.7 | 36.3         | 38.3 | NM            | NM    | NM         | NM   |

##### International Operations<sup>26</sup>

|                           | Peru |      | Argentina |      | Colombia |      | Brazil |       |
|---------------------------|------|------|-----------|------|----------|------|--------|-------|
|                           | 4Q14 | 4Q15 | 4Q14      | 4Q15 | 4Q14     | 4Q15 | 4Q14   | 4Q15  |
| Average Collection Period | 2.9  | 2.9  | 18.9      | 12.9 | 3.6      | 4.7  | 61.8   | 44.0  |
| Average Payment Period    | 51.9 | 48.0 | 46.2      | 51.2 | 52.4     | 58.2 | 84.9   | 104.4 |
| Inventory Turnover (day)  | 71.2 | 82.2 | 99.1      | 82.6 | 51.1     | 81.0 | 100.2  | 154.0 |

<sup>24</sup> Collection period does not include accounts receivable of the retail businesses (department stores, home improvement and supermarkets) with Promotora CMR S.A.

<sup>25</sup> Average Collection Period (does not include Promotora CMR and Plaza): Current trade and other receivables \*90/ Revenues

Average Collection Period for Promotora CMR: Duration \* 30

Average Collection Period for Plaza corresponds to the payment of the common expenses of the building.

Average Payable Period: Current trade and other current accounts payable \* 90 /Cost of sales.

Inventory turnover: Inventories (net) \* 90 / Cost of sales.

<sup>26</sup> Metrics include only retail operations.



## EARNINGS REPORT 4<sup>th</sup> QUARTER 2015 **SACI FALABELLA**

### VIII. Operating Results by Business Unit

#### Operating Results 4Q 2015 (MUS\$)<sup>27,28</sup>

##### Chile

|                      | Department Stores |        |       | Home Improvement |        |       | Supermarkets |        |       |
|----------------------|-------------------|--------|-------|------------------|--------|-------|--------------|--------|-------|
|                      | 4Q14              | 4Q15   | Var % | 4Q14             | 4Q15   | Var % | 4Q14         | 4Q15   | Var % |
| Revenues             | 568.3             | 613.8  | 8.0%  | 689.2            | 739.7  | 7.3%  | 240.5        | 260.8  | 8.5%  |
| Gross Margin         | 33.5%             | 34.2%  | 10.2% | 30.9%            | 31.5%  | 9.4%  | 23.5%        | 24.8%  | 14.2% |
| SG&A / Revenues      | -24.7%            | -24.1% | 5.5%  | -22.3%           | -23.7% | 13.9% | -20.5%       | -21.1% | 11.7% |
| SG&A w.o Dep. / Rev. | -23.2%            | -22.6% | 5.3%  | -20.9%           | -22.1% | 13.9% | -17.8%       | -18.8% | 14.3% |
| EBITDA Margin        | 10.3%             | 11.6%  | 21.3% | 10.2%            | 9.7%   | 1.3%  | 5.7%         | 6.0%   | 13.9% |
| Operating Margin     | 8.7%              | 10.0%  | 23.7% | 8.6%             | 7.8%   | -2.1% | 3.1%         | 3.7%   | 31.2% |

|                      | Promotora CMR <sup>17</sup> |       |       | Banco Falabella Chile |        |       | Plaza S.A. |       |       |
|----------------------|-----------------------------|-------|-------|-----------------------|--------|-------|------------|-------|-------|
|                      | 4Q14                        | 4Q15  | Var % | 4Q14                  | 4Q15   | Var % | 4Q14       | 4Q15  | Var % |
| Revenues             | 109.4                       | 130.6 | 19.3% | 102.6                 | 108.1  | 5.4%  | 91.1       | 96.8  | 6.3%  |
| Gross Margin         | 48.7%                       | 50.6% | 23.9% | 55.1%                 | 52.7%  | 0.8%  | 79.2%      | 75.8% | 1.8%  |
| SG&A / Revenues      | -11.0%                      | -9.5% | 3.5%  | -32.7%                | -31.7% | 2.1%  | -8.0%      | -9.5% | 26.4% |
| SG&A w.o Dep. / Rev. | -11.0%                      | -9.5% | 3.5%  | -30.4%                | -29.1% | 1.0%  | -7.7%      | -9.2% | 26.7% |
| EBITDA Margin        | 37.7%                       | 41.0% | 29.8% | 24.7%                 | 23.6%  | 0.7%  | 82.2%      | 81.0% | 4.8%  |
| Operating Margin     | 37.7%                       | 41.0% | 29.8% | 22.4%                 | 21.0%  | -1.0% | 71.2%      | 66.3% | -1.0% |

##### International Operations

|                      | Peru   |        |       | Colombia |        |        | Argentina |        |       | Brazil |        |        |
|----------------------|--------|--------|-------|----------|--------|--------|-----------|--------|-------|--------|--------|--------|
|                      | 4Q14   | 4Q15   | Var % | 4Q14     | 4Q15   | Var %  | 4Q14      | 4Q15   | Var % | 4Q15   | 4Q15   | Var %  |
| Revenues             | 818.3  | 862.8  | 5.4%  | 246.5    | 219.7  | -10.9% | 239.1     | 290.1  | 21.3% | 69.7   | 53.7   | -22.9% |
| Gross Margin         | 32.4%  | 32.7%  | 6.4%  | 38.6%    | 36.8%  | -15.1% | 45.9%     | 48.6%  | 28.5% | 29.9%  | 31.7%  | -18.3% |
| SG&A / Revenues      | -21.6% | -23.0% | 12.1% | -25.4%   | -24.9% | -12.4% | -37.1%    | -39.2% | 27.9% | -33.5% | -42.3% | -2.7%  |
| SG&A w.o Dep. / Rev. | -19.0% | -20.3% | 12.9% | -22.9%   | -22.2% | -13.6% | -36.1%    | -38.2% | 28.4% | -32.3% | -40.6% | -3.1%  |
| EBITDA Margin        | 13.4%  | 12.4%  | -2.8% | 15.7%    | 14.6%  | -17.4% | 9.8%      | 10.4%  | 28.7% | -2.4%  | -8.9%  | NM     |
| Operating Margin     | 10.8%  | 9.7%   | -5.1% | 13.3%    | 11.9%  | -20.4% | 8.8%      | 9.5%   | 30.9% | -3.6%  | -10.6% | NM     |

<sup>27</sup> International Operating Results includes banking business in Peru and Colombia, credit card business in Argentina and real estate business in Peru, as well as the corresponding retail businesses.

<sup>28</sup> Variations presented in the Var % column correspond to YoY changes in the period's Revenues, Gross Income, SG&A, SG&A w.o. Depreciation, EBITDA and Operating Income.



## EARNINGS REPORT 4<sup>th</sup> QUARTER 2015 **SACI FALABELLA**

### Operating Results 12M 2015 (MUS\$)<sup>29,30</sup>

#### Chile

|                      | Department Stores |         |       | Home Improvement |         |       | Supermarkets |        |       |
|----------------------|-------------------|---------|-------|------------------|---------|-------|--------------|--------|-------|
|                      | 12M14             | 12M15   | Var % | 12M14            | 12M15   | Var % | 12M14        | 12M15  | Var % |
| Revenues             | 1,831.2           | 1,908.4 | 4.2%  | 2,580.2          | 2,778.5 | 7.7%  | 858.1        | 939.7  | 9.5%  |
| Gross Margin         | 30.1%             | 31.8%   | 10.3% | 29.2%            | 29.7%   | 9.6%  | 23.8%        | 24.4%  | 12.6% |
| SG&A / Revenues      | -26.6%            | -27.2%  | 6.4%  | -22.6%           | -23.7%  | 12.7% | -22.7%       | -22.6% | 8.8%  |
| SG&A w.o Dep. / Rev. | -24.9%            | -25.3%  | 5.8%  | -21.1%           | -22.1%  | 12.7% | -19.9%       | -20.1% | 10.5% |
| EBITDA Margin        | 5.2%              | 6.6%    | 31.8% | 8.3%             | 7.8%    | 1.8%  | 3.9%         | 4.4%   | 23.2% |
| Operating Margin     | 3.5%              | 4.7%    | 40.2% | 6.5%             | 6.0%    | -1.2% | 1.1%         | 1.9%   | 94.1% |

|                      | Promotora CMR <sup>17</sup> |        |       | Banco Falabella Chile |        |       | Plaza S.A. |        |       |
|----------------------|-----------------------------|--------|-------|-----------------------|--------|-------|------------|--------|-------|
|                      | 12M14                       | 12M15  | Var % | 12M14                 | 12M15  | Var % | 12M14      | 12M15  | Var % |
| Revenues             | 455.5                       | 502.7  | 10.4% | 386.1                 | 407.3  | 5.5%  | 319.0      | 348.9  | 9.4%  |
| Gross Margin         | 51.0%                       | 50.4%  | 9.0%  | 50.1%                 | 55.0%  | 15.7% | 80.2%      | 77.7%  | 6.0%  |
| SG&A / Revenues      | -10.2%                      | -10.6% | 15.0% | -31.2%                | -31.7% | 7.1%  | -10.8%     | -10.8% | 9.2%  |
| SG&A w.o Dep. / Rev. | -10.2%                      | -10.6% | 15.0% | -28.8%                | -29.1% | 6.4%  | -10.5%     | -9.8%  | 1.4%  |
| EBITDA Margin        | 40.8%                       | 39.8%  | 7.5%  | 21.3%                 | 25.9%  | 28.3% | 81.3%      | 81.0%  | 8.9%  |
| Operating Margin     | 40.8%                       | 39.8%  | 7.5%  | 18.9%                 | 23.3%  | 29.9% | 69.4%      | 66.9%  | 5.5%  |

#### International Operations

|                      | Peru    |         |       | Colombia |        |        | Argentina |        |       | Brasil |        |        |
|----------------------|---------|---------|-------|----------|--------|--------|-----------|--------|-------|--------|--------|--------|
|                      | 12M14   | 12M15   | Var % | 12M14    | 12M15  | Var %  | 12M14     | 12M15  | Var % | 12M14  | 12M15  | Var %  |
| Revenues             | 2,507.1 | 3,007.2 | 19.9% | 721.6    | 676.7  | -6.2%  | 773.8     | 965.0  | 24.7% | 281.7  | 232.1  | -17.6% |
| Gross Margin         | 31.2%   | 31.6%   | 21.7% | 38.4%    | 37.8%  | -7.6%  | 44.7%     | 46.0%  | 28.4% | 31.4%  | 32.2%  | -15.6% |
| SG&A / Revenues      | -23.0%  | -23.7%  | 23.7% | -30.8%   | -31.7% | -3.2%  | -38.7%    | -40.0% | 29.0% | -33.1% | -39.8% | -1.2%  |
| SG&A w.o Dep. / Rev. | -20.3%  | -20.8%  | 22.8% | -27.6%   | -28.8% | -2.2%  | -37.6%    | -39.0% | 29.4% | -31.4% | -37.6% | -1.2%  |
| EBITDA Margin        | 10.9%   | 10.9%   | 19.7% | 10.8%    | 9.0%   | -21.5% | 7.1%      | 7.1%   | 23.1% | 0.1%   | -5.4%  | NM     |
| Operating Margin     | 8.2%    | 7.9%    | 16.2% | 7.6%     | 6.1%   | -25.1% | 6.0%      | 6.0%   | 24.2% | -1.7%  | -7.5%  | NM     |

<sup>29</sup> International Operating Results includes banking business in Peru and Colombia, credit card business in Argentina and real estate business in Peru, as well as the corresponding retail businesses.

<sup>30</sup> Variations presented in the Var% column correspond to YoY changes in the period's Revenues, Gross Income, SG&A, SG&A w.o. Depreciation, EBITDA and Operating Income.



## EARNINGS REPORT 4<sup>th</sup> QUARTER 2015 **SACI FALABELLA**

### IX. Financial Structure

Total liabilities as of December 31<sup>st</sup> 2015 reached \$8,163,706 million (MUS\$ 11,496). In turn, the leverage of the non-banking business<sup>31</sup> amounts to 1.17. Considering the financial debt<sup>32</sup> of the non-banking business, the ratio of Net Financial Debt / EBITDA was 3.14.<sup>33</sup>

S.A.C.I. Falabella's firm-wide policy is to raise debt in local currency, or to hedge to local currency any debt raised in foreign currency. Under 144<sup>a</sup>/Reg S, the Company raised two bonds, one for MUS\$ 500 and another for MUS\$ 400, both of which have both capital and interest fully hedged, with swaps, to maturity.

#### Leverage Non-Banking Operations



#### Net Financial Debt / EBITDA Non-Banking Operations<sup>34</sup>



<sup>31</sup> Non-Banking Operations Leverage=Total Non-Banking Operations Liabilities divided by Total Equity.

<sup>32</sup> Non-Banking Business Financial Debt= total Current non-Bank Operations Liabilities + Total Non-current Non-Banking Operations Liabilities – Financial liabilities at fair value through income (Note 33 – Financial Instruments and Financial Risk Management).

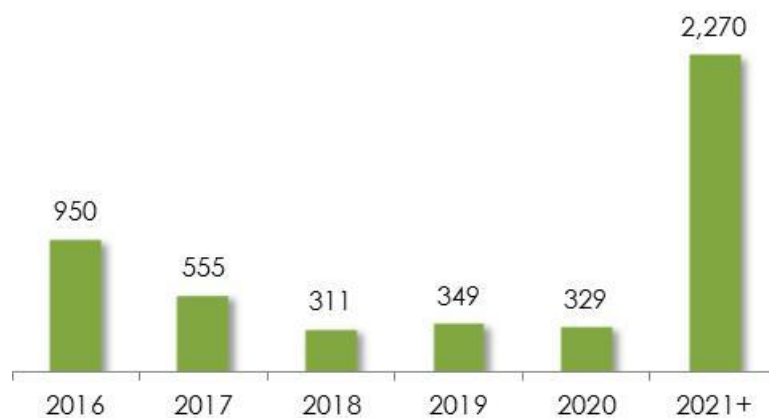
<sup>33</sup> Maestro's financial debt was consolidated starting September of 2014, while Maestro's EBITDA only began to be consolidated in 4Q14.

<sup>34</sup> The ratio includes the fair value of the derivate financial instruments, related to financial debt. Therefore: Net Financial Debt = Non-Banking Financial Debt – Cash and Cash equivalents – Hedge Derivate associated to Financial debt.



## EARNINGS REPORT 4<sup>th</sup> QUARTER 2015 **SACI FALABELLA**

### Debt Maturity Profile<sup>35,36</sup>



Total Consolidated Financial Debt (excluding banking operations): MUS\$ 4,764.

<sup>35</sup> Total Consolidated Financial Debt does not include the banking operations of the Falabella Group (Banco Falabella Chile, Banco Falabella Peru and Banco Falabella Colombia) or accrued interests; however, it does include CMR in Chile and Argentina.

<sup>36</sup> Debt converted to US\$ using the local currency exchange rate for each country at the close of the period.





## EARNINGS REPORT 4<sup>th</sup> QUARTER 2015 SACI FALABELLA

### X. S.A.C.I. Falabella Financial Statements<sup>37</sup>

|   | For the year ended<br>as of 31-Dic-15 | For the year ended<br>as of 31-Dic-14 |
|---|---------------------------------------|---------------------------------------|
|   | TH\$                                  | TH\$                                  |
| <b>Statement of Income</b>  |                                       |                                       |
| <b>Non-banking Business</b>   |                                       |                                       |
| Revenue from continuing operations  | 7,758,561,352                         | 7,038,379,788                         |
| Cost of sales   | (5,096,908,599)                       | (4,654,988,923)                       |
| <b>Gross Profit</b>   | <b>2,661,652,753</b>                  | <b>2,383,390,865</b>                  |
| Distribution costs  | (82,294,591)                          | (82,780,323)                          |
| Administrative expenses   | (1,685,587,191)                       | (1,457,458,761)                       |
| Other expenses, by function   | (142,275,799)                         | (136,398,084)                         |
| Other gains (losses)  | 33,614,695                            | 8,506,262                             |
| Financial income  | 33,868,899                            | 19,557,464                            |
| Financial expenses  | (174,032,519)                         | (139,227,173)                         |
| Equity interest in profits (losses) of associates accounted for using the equity method | 25,272,409                            | 26,155,945                            |
| Foreign currency translation  | (18,208,873)                          | (40,226,654)                          |
| Income from indexation units  | (33,455,450)                          | (41,114,681)                          |
| <b>Profit (Loss), before Taxes</b>  | <b>618,554,333</b>                    | <b>540,404,860</b>                    |
| Income tax expense  | (135,354,388)                         | (101,425,824)                         |
| <b>Profit (loss) from Non-banking Business</b>  | <b>483,199,945</b>                    | <b>438,979,036</b>                    |
| <b>Banking Services (Presentation)</b>  |                                       |                                       |
| Interest and indexation revenue   | 485,319,456                           | 445,605,716                           |
| Interest and indexation expenses  | (133,370,243)                         | (129,938,794)                         |
| <b>Net Income from Interest and Indexation</b>  | <b>351,949,213</b>                    | <b>315,666,922</b>                    |
| Fee revenue   | 135,915,710                           | 106,875,474                           |
| Fee expenses  | (33,607,581)                          | (29,218,656)                          |
| <b>Net Fee Income</b>   | <b>102,308,129</b>                    | <b>77,656,818</b>                     |
| Net income from financial operations  | 2,341,646                             | -1,118,943                            |
| Net exchange gains (losses)   | 8,854,487                             | 10,760,905                            |
| Other operating income  | 2,147,794                             | 827,146                               |
| Provision for loan losses   | (114,698,003)                         | (89,422,063)                          |
| <b>Total Operating Income, net</b>  | <b>352,903,266</b>                    | <b>314,370,785</b>                    |
| Employee remunerations and expenses   | (90,919,630)                          | (83,551,772)                          |
| Administrative expenses   | (112,366,201)                         | (101,215,795)                         |
| Depreciation and amortization   | (15,638,353)                          | (15,489,687)                          |
| Other operating expenses  | (10,548,992)                          | (10,502,339)                          |
| <b>Total Operating Expenses</b>   | <b>(229,473,176)</b>                  | <b>(210,759,593)</b>                  |
| <b>Operating Income</b>   | <b>123,430,090</b>                    | <b>103,611,192</b>                    |
| Income from equity method investments in companies                                      | 531,214                               | 358,358                               |
| <b>Income before Income Taxes</b>   | <b>123,961,304</b>                    | <b>103,969,550</b>                    |
| Income tax expense  | (33,179,362)                          | (25,843,026)                          |
| <b>Ganancia de negocios bancarios</b>   | <b>90,781,942</b>                     | <b>78,126,524</b>                     |
| <b>Profit (Loss)</b>  | <b>573,981,887</b>                    | <b>517,105,560</b>                    |
| <b>Profit (loss), Attributable to:</b>  |                                       |                                       |
| Owners of the parent  | 519,951,164                           | 464,728,694                           |
| Non-controlling interests   | 54,030,723                            | 52,376,866                            |
| <b>Profit (Loss)</b>  | <b>573,981,887</b>                    | <b>517,105,560</b>                    |
| <b>Earnings per share</b>   |                                       |                                       |
| <b>Basic earnings per share</b>   |                                       |                                       |
| Basic earnings (loss) per share from continuing operations                              | 0.2136                                | 0.1911                                |
| <b>Basic Earnings (Loss) per Share</b>  | <b>0.2136</b>                         | <b>0.1911</b>                         |
| <b>Diluted Earnings per Share</b>   |                                       |                                       |
| From continuing operations  | 0.2136                                | 0.1903                                |
| <b>Diluted Earnings (Loss) per Share</b>  | <b>0.2136</b>                         | <b>0.1903</b>                         |



## EARNINGS REPORT 4<sup>th</sup> QUARTER 2015 **SACI FALABELLA**

|   | 31-Dec-15             | 31-Dec-14             |
|---|-----------------------|-----------------------|
|   | TH\$                  | TH\$                  |
| <b>Assets</b>   |                       |                       |
| <b>Non-banking Businesses</b>   |                       |                       |
| <b>Current assets</b>   |                       |                       |
| Cash and cash equivalents   | 207,308,226           | 211,219,868           |
| Other financial assets  | 23,604,836            | 10,591,044            |
| Other non-financial assets  | 88,637,767            | 88,613,455            |
| Trade and other accounts receivable   | 1,681,913,169         | 1,469,813,782         |
| Accounts receivable from related parties  | 5,099,194             | 14,382,645            |
| Inventory   | 1,173,671,356         | 1,019,199,966         |
| Tax assets  | 54,621,659            | 49,566,343            |
| <b>Total of current assets different from those assets or disposal groups classified as held for sale or as held for distribution to owners</b> | <b>3,234,856,207</b>  | <b>2,863,387,103</b>  |
| Non-current assets or disposal groups classified as held for sale or as held for distribution to owners   | 2,935,337             | 5,150,100             |
| <b>Non-current assets or disposal groups classified as held for sale or as held for distribution to owners</b>                                  | <b>2,935,337</b>      | <b>5,150,100</b>      |
| <b>Total Current Assets</b>   | <b>3,237,791,544</b>  | <b>2,868,537,203</b>  |
| <b>Non-current Assets</b>   |                       |                       |
| Other financial assets  | 164,996,973           | 71,524,973            |
| Other non-financial assets  | 36,599,317            | 32,688,857            |
| Accounts receivable   | 203,915,411           | 206,165,723           |
| Investments accounted for using the equity method   | 184,148,339           | 163,334,299           |
| Intangible assets other than goodwill   | 246,913,398           | 233,503,315           |
| Goodwill  | 461,664,958           | 465,969,088           |
| Property, plant and equipment   | 2,236,502,072         | 2,118,686,008         |
| Investment properties   | 2,228,710,662         | 2,121,112,163         |
| Deferred tax assets   | 91,930,367            | 68,168,041            |
| <b>Total Non-current Assets</b>   | <b>5,855,381,497</b>  | <b>5,481,152,467</b>  |
| <b>Total Assets – Non-banking Business</b>  | <b>9,093,173,041</b>  | <b>8,349,689,670</b>  |
| <b>Banking Services Assets (Presentation)</b>   |                       |                       |
| Cash and bank deposits  | 372,864,747           | 347,215,192           |
| Transactions with settlement in progress  | 13,884,905            | 10,125,348            |
| Financial assets held for trading   | 110,154,548           | 55,864,410            |
| Financial derivative contracts  | 8,744,053             | 14,503,691            |
| Due from banks  | -                     | 29,977,748            |
| Loans and accounts receivable from clients  | 2,471,067,255         | 2,180,384,460         |
| Available for sale instruments  | 423,103,649           | 264,017,567           |
| Investments in companies  | 2,801,387             | 1,910,151             |
| Intangibles   | 34,128,788            | 23,769,265            |
| Property, plant and equipment   | 35,555,641            | 36,934,564            |
| Current taxes   | 1,850,246             | 1,873,669             |
| Deferred taxes  | 18,580,064            | 14,509,536            |
| Other assets  | 21,088,331            | 16,184,783            |
| <b>Total Bank Services Assets</b>   | <b>3,513,823,614</b>  | <b>2,997,270,384</b>  |
| <b>Total Assets</b>   | <b>12,606,996,655</b> | <b>11,346,960,054</b> |

<sup>37</sup> The banking business does not include CMR Chile and CMR Argentina.



## EARNINGS REPORT 4<sup>th</sup> QUARTER 2015 **SACI FALABELLA**

|  | 31-Dec-15             | 31-Dec-14             |
|--|-----------------------|-----------------------|
|  | TH\$                  | TH\$                  |
| <b>Net Equity and Liabilities</b>                  |                       |                       |
| <b>Non-banking Business</b>                        |                       |                       |
| <b>Current Liabilities</b>                         |                       |                       |
| Other financial liabilities                        | 738,717,161           | 736,529,589           |
| Trade and other accounts payable                   | 1,020,371,592         | 966,061,609           |
| Accounts payable to related parties                | 3,240,430             | 9,894,036             |
| Other current provisions                           | 11,978,083            | 10,248,584            |
| Current tax liabilities                            | 44,919,936            | 25,734,030            |
| Employee benefits provisions                       | 121,651,114           | 110,578,122           |
| Other non-financial liabilities                    | 138,768,939           | 129,538,281           |
| <b>Total Current Liabilities</b>                   | <b>2,079,647,255</b>  | <b>1,988,584,251</b>  |
| <b>Non-current Liabilities</b>                     |                       |                       |
| Other financial liabilities                        | 2,700,830,781         | 2,316,360,511         |
| Other liabilities                                  | 1,262,231             | 1,208,738             |
| Other long-term provisions                         | 15,174,089            | 17,548,571            |
| Deferred tax liabilities                           | 366,958,659           | 368,505,463           |
| Employee benefits provision                        | 21,045,521            | 19,717,004            |
| Other non-financial liabilities                    | 40,266,934            | 32,183,682            |
| <b>Total Non-current Liabilities</b>               | <b>3,145,538,215</b>  | <b>2,755,523,969</b>  |
| <b>Total Non-banking Business Liabilities</b>      | <b>5,225,185,470</b>  | <b>4,744,108,220</b>  |
| <b>Banking Services Liabilities (Presentation)</b> |                       |                       |
| Deposits and other demand liabilities              | 321,693,368           | 241,347,479           |
| Transactions with settlement in progress           | 9,542,490             | 4,852,755             |
| Time deposits and other term deposits              | 1,988,206,540         | 1,671,548,562         |
| Financial derivative contracts                     | 8,166,601             | 8,637,377             |
| Due to banks                                       | 89,884,439            | 66,923,264            |
| Debt instruments issued                            | 294,047,824           | 240,739,591           |
| Other financial obligations                        | 159,527,592           | 175,729,113           |
| Current taxes                                      | 4,327,573             | 59,511                |
| Provisions   | 6,396,024             | 5,491,575             |
| Other liabilities                                  | 56,727,698            | 49,257,187            |
| <b>Total Banking Services Liabilities</b>          | <b>2,938,520,149</b>  | <b>2,464,586,414</b>  |
| <b>Total Liabilities</b>                           | <b>8,163,705,619</b>  | <b>7,208,694,634</b>  |
| <b>Net Equity</b>                                  |                       |                       |
| Issued capital                                     | 533,409,643           | 533,409,643           |
| Retained earnings                                  | 3,241,684,974         | 2,913,524,436         |
| Share premium                                      | 93,482,329            | 93,482,329            |
| Own shares in portfolio                            | (8,632,349)           | (3,495,432)           |
| Other reserves                                     | (131,932,183)         | (92,000,283)          |
| <b>Equity attributable to owners of the parent</b> | <b>3,728,012,414</b>  | <b>3,444,920,693</b>  |
| Non-controlling interests                          | 715,278,622           | 693,344,727           |
| <b>Total Equity</b>                                | <b>4,443,291,036</b>  | <b>4,138,265,420</b>  |
| <b>Total Equity and Liabilities</b>                | <b>12,606,996,655</b> | <b>11,346,960,054</b> |



## EARNINGS REPORT 4<sup>th</sup> QUARTER 2015 SACI FALABELLA

|   | 31-Dec-15            | 31-Dec-14            |
|---|----------------------|----------------------|
|   | TH\$                 | TH\$                 |
| <b>Statement of cash flows</b>  |                      |                      |
| <b>Cash flows provided by (used in) operating activities</b>  |                      |                      |
| <b>Non-banking Business (Presentation)</b>  |                      |                      |
| <b>Classes of proceeds from operating activities</b>  |                      |                      |
| Proceeds from sale of goods and providing services  | 8,876,519,998        | 8,423,131,674        |
| <b>Classes of payments</b>  |                      |                      |
| Payment to suppliers for supplying goods and services   | (7,057,658,841)      | (6,600,826,090)      |
| Payments to and on account of employees   | (937,622,406)        | (854,213,160)        |
| Income taxes refunded (paid)  | (126,155,139)        | (96,087,932)         |
| Other cash inflows (outflows)   | (205,913,143)        | (182,442,277)        |
| <b>Subtotal net cash flows provided by Non-banking Business operating activities</b>                | <b>549,170,469</b>   | <b>689,562,215</b>   |
| <b>Banking Services (Presentation)</b>  |                      |                      |
| Consolidated net income (loss) for the period   | 90,781,942           | 78,126,524           |
| <b>Charges (credits) to income that do not involve cash movements:</b>                              |                      |                      |
| Depreciation and amortization   | 15,638,353           | 15,489,687           |
| Credit risk provision   | 139,502,654          | 111,964,182          |
| Profit losses from equity method investments  | (531,214)            | (358,358)            |
| Other charges (credits) that do not involve significant cash flow movements                         | 22,754,684           | 13,604,448           |
| Net change in interest, indexations and fees accrued on assets and liabilities                      | (8,113,894)          | (5,317,759)          |
| <b>Changes in assets and liabilities affecting cash flow:</b>                                       |                      |                      |
| Net (Increase) decrease due from banks  | 29,977,748           | (29,977,748)         |
| Net increase in loans and accounts receivable from clients  | (426,135,989)        | (371,398,995)        |
| Net decrease in instruments held for trading  | (19,399,412)         | 32,388,060           |
| Increase in deposits and other demand obligations   | 73,171,331           | 74,182,743           |
| Increase in deposits and other time deposits  | 321,176,561          | 166,881,822          |
| Increase in obligations with banks  | 22,790,290           | 19,909,293           |
| Other use of cash   | (29,894,799)         | (16,237,180)         |
| <b>Subtotal net cash flows provided by (used in) Banking Services operating activities</b>          | <b>231,718,255</b>   | <b>89,256,719</b>    |
| <b>Net cash flows provided by operating activities</b>  | <b>780,888,724</b>   | <b>778,818,934</b>   |
| <b>Cash flows provided by (used in) investing activities</b>  |                      |                      |
| <b>Non-banking Business (Presentation)</b>  |                      |                      |
| Cash flows used to obtain control of subsidiaries and other businesses                              | -                    | (290,890,488)        |
| Cash flows to affiliated companies  | (4,090,717)          | (4,571,220)          |
| Loans to related parties  | (1,781,920)          | (1,161,013)          |
| Proceeds from disposal of property, plant and equipment   | 4,289,281            | 3,342,178            |
| Additions to property, plant and equipment  | (329,915,643)        | (368,093,957)        |
| Additions to intangible assets  | (31,320,396)         | (31,274,803)         |
| Proceeds from other long-term assets  | 249,380              | 488,038              |
| Additions to other long-term assets   | (148,799,729)        | (175,579,140)        |
| Dividends received  | 9,217,815            | 4,544,614            |
| Interest received   | 11,698,121           | 19,826,717           |
| Other cash inflows (outflows)   | 24,404,734           | 18,574,471           |
| <b>Subtotal net cash flows used in investing activities in the Non-banking Business</b>             | <b>(466,049,074)</b> | <b>(824,794,603)</b> |
| <b>Banking Services</b>   |                      |                      |
| Net (Increase) decrease in investment securities available for sale                                 | (159,135,213)        | (2,958,934)          |
| Additions to property, plant and equipment  | (26,394,009)         | (20,735,628)         |
| Cash flows to affiliated companies  | (819,263)            | -                    |
| Dividends received from investments in societies  | 444,365              | 202,870              |
| Other sources of cash   | 2,066,323            | 2,925,600            |
| <b>Subtotal net cash flows provided by (used in) Banking Services investing activities</b>          | <b>(183,837,797)</b> | <b>(20,566,092)</b>  |
| <b>Net cash flows provided by (used in) investing activities</b>                                    | <b>(649,886,871)</b> | <b>(845,360,695)</b> |
| <b>Cash flows provided by (used in) financing activities</b>  |                      |                      |
| <b>Non-banking Business</b>   |                      |                      |
| Proceeds from issuance of shares  | 3,831,268            | 53,379,941           |
| Payments to acquire own shares  | (5,136,917)          | (3,495,432)          |
| Proceeds from long-term loans   | 256,796,220          | 833,657,276          |
| Proceeds from short-term loans  | 3,000,044,363        | 2,599,217,628        |
| Total proceeds from loans   | 3,256,840,583        | 3,432,874,904        |
| Payment of loans  | (2,998,109,042)      | (3,101,725,973)      |
| Payment of financial lease liabilities  | (24,997,036)         | (17,297,516)         |
| Dividends paid  | (197,397,585)        | (179,029,165)        |
| Interest paid   | (152,688,957)        | (88,246,885)         |
| Other cash inflows (outflows)   | 4,012,861            | 4,235,845            |
| <b>Subtotal net cash flows provided by (used in) Non-banking Business financing activities</b>      | <b>(113,644,825)</b> | <b>100,695,719</b>   |
| <b>Banking Services (Presentation)</b>  |                      |                      |
| (Redemption) Letters of credit issuance   | (10,429,838)         | (6,246,302)          |
| Bond payments and other long term loans   | 62,723,237           | (40,303,374)         |
| Other   | (11,598,629)         | (38,741,239)         |
| <b>Subtotal net cash flows provided by (used in) Banking Services financing activities</b>          | <b>40,694,770</b>    | <b>(85,290,915)</b>  |
| <b>Net cash flows used in financing activities</b>  | <b>(72,950,055)</b>  | <b>15,404,804</b>    |
| <b>Net increase in cash and cash equivalents, before the effect of changes in the exchange rate</b> | <b>58,051,798</b>    | <b>(51,136,957)</b>  |
| <b>Effects of changes in the exchange rate on cash and cash equivalents</b>                         |                      |                      |
| Effects of changes in the exchange rate on cash and cash equivalents                                | (7,118,807)          | 13,573,178           |
| <b>Net increase (decrease) in cash and cash equivalents</b>   | <b>50,932,991</b>    | <b>(37,563,779)</b>  |
| Cash and cash equivalents at beginning of period  | 610,126,163          | 647,689,942          |
| <b>Cash and cash equivalents at end of period</b>   | <b>661,059,154</b>   | <b>610,126,163</b>   |



## EARNINGS REPORT 4<sup>th</sup> QUARTER 2015 SACI FALABELLA

### Cash Flow – Chilean Operations (M\$)

| December 2015  | Department Stores | Home Improvement | Supermarkets | Promotora CMR | Banco Falabella | Plaza S.A. |
|--|-------------------|------------------|--------------|---------------|-----------------|------------|
| Cash flow from operating activities                              | (61,514)          | 122,845          | 24,426       | 53,086        | 186,011         | 205,236    |
| Cash flow from investing activities                              | (45,854)          | (59,772)         | (20,841)     | (488)         | (171,912)       | (125,604)  |
| Cash flow from financing activities                              | 102,464           | (62,956)         | (4,575)      | (52,537)      | 25,983          | (62,700)   |
| <b>Increase (decrease) in cash and cash equivalents</b>          | (4,905)           | 117              | (989)        | 61            | 40,082          | 16,932     |
| Impact of exchange rate differences on cash and cash equivalents | (1,732)           | 784              | 33           | 75            | --              | (532)      |
| <b>Cash and cash equivalents at the beginning of the period</b>  | 42,831            | 20,646           | 11,559       | 13,157        | 245,872         | 15,776     |
| <b>Cash and cash equivalents at the end of the period</b>        | 36,194            | 21,547           | 10,603       | 13,293        | 285,954         | 32,176     |

| December 2014  | Department Stores | Home Improvement | Supermarkets | Promotora CMR | Banco Falabella | Plaza S.A. |
|--|-------------------|------------------|--------------|---------------|-----------------|------------|
| Cash flow from operating activities                              | 119,820           | 94,174           | 20,053       | 59,274        | (4,024)         | 170,477    |
| Cash flow from investing activities                              | (154,044)         | (40,620)         | (31,313)     | (24,453)      | 33,438          | (165,870)  |
| Cash flow from financing activities                              | 44,270            | (54,434)         | 12,989       | (25,957)      | (20,448)        | (90,605)   |
| <b>Increase (decrease) in cash and cash equivalents</b>          | 10,046            | (880)            | 1,729        | 8,864         | 8,967           | (85,998)   |
| Impact of exchange rate differences on cash and cash equivalents | (53)              | 510              | (3)          | 10            | --              | (154)      |
| <b>Cash and cash equivalents at the beginning of the period</b>  | 32,838            | 21,017           | 9,833        | 4,284         | 236,906         | 101,928    |
| <b>Cash and cash equivalents at the end of the period</b>        | 42,831            | 20,646           | 11,559       | 13,157        | 245,872         | 15,776     |

### Cash Flow –International Operations (M\$)

| December 2015  | Peru     | Colombia | Argentina | Brazil   |
|--|----------|----------|-----------|----------|
| Cash flow from operating activities                              | 82,552   | (18,045) | (1,408)   | (8,291)  |
| Cash flow from investing activities                              | (98,449) | 8,752    | (5,938)   | (12,378) |
| Cash flow from financing activities                              | 36,806   | (2,270)  | 9,476     | 21,406   |
| <b>Increase (decrease) in cash and cash equivalents</b>          | 20,909   | (11,563) | 2,130     | 738      |
| Impact of exchange rate differences on cash and cash equivalents | 7,082    | (3,354)  | (492)     | (9,626)  |
| <b>Cash and cash equivalents at the beginning of the period</b>  | 183,232  | 48,215   | 4,306     | 10,874   |
| <b>Cash and cash equivalents at the end of the period</b>        | 211,223  | 33,299   | 5,944     | 1,985    |

| December 2014  | Peru      | Colombia | Argentina | Brazil   |
|--|-----------|----------|-----------|----------|
| Cash flow from operating activities                              | 164,476   | 78,664   | 2,483     | 1,595    |
| Cash flow from investing activities                              | (467,681) | (16,551) | (19,616)  | (25,677) |
| Cash flow from financing activities                              | 305,311   | (48,085) | 16,520    | 10,470   |
| <b>Increase (decrease) in cash and cash equivalents</b>          | 2,107     | 14,028   | (613)     | (13,612) |
| Impact of exchange rate differences on cash and cash equivalents | 16,005    | (3,226)  | (917)     | 1,179    |
| <b>Cash and cash equivalents at the beginning of the period</b>  | 165,121   | 37,414   | 5,837     | 23,307   |
| <b>Cash and cash equivalents at the end of the period</b>        | 183,232   | 48,215   | 4,307     | 10,874   |



## EARNINGS REPORT 4<sup>th</sup> QUARTER 2015 **SACI FALABELLA**



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