



**Over the next four years:
The Falabella Group plans to invest US\$ 4,038 million in the region**

Santiago, January 4, 2016.- The Falabella Group announced plans to invest US\$4,038 million from 2016 through 2019 in order to fund the organic growth of its operations in six countries in Latin America. This four-year investment plan, in Chilean pesos, represents a 9.5% increase with respect to the 2015-18 investment plan announced last January.

The Falabella Group's investment plan confirms the Company's commitment to developing its omnichannel strategy, implementing initiatives to boost productivity and continuing to expand its presence in the region.

Approximately 44% of this capex will be allocated to the opening of 131 new stores and 10 new shopping centers. In addition, nearly 26% of the investment will be used to increase selling area and remodel existing stores and shopping centers, in order to continue to improve the customer experience and maximize the performance of these points of sale. The remaining almost 30% will be dedicated to logistics (including new DC's) and IT, in order to continue to grow its omnichannel operations, as well as to achieve higher levels of efficiency and productivity across the different business units in each country.

"These investments will allow us to continue to grow our physical presence, increase the scale and functionality of our digital operations and improve the efficiency and productivity of our business, all of which should contribute to the overall customer experience", commented Sandro Solari, CEO of the Falabella Group. "Our corporate strategy is based on profitable, responsible and sustainable growth. With this in mind, we are closely monitoring the evolution of the markets in which we operate and the opportunities that may arise in the current economic environment".

By year-end 2015, the Falabella Group had 459 stores and 40 shopping centers in the region. During the year, the Falabella Group opened 23 stores: nine in Chile, six in Peru and four in Colombia, as well as the Company's first two Sodimac stores in Brazil and first two stores in Uruguay. In terms of store format, this year the Falabella Group opened ten home improvement stores, eight supermarkets,



four department stores and the first Crate & Barrel store in South America. Falabella plans to roll-out Crate & Barrel stores, which specialize in home furnishings and accessories, in Chile, Peru and Colombia.

This year, the Group also continued to invest in the expansion and remodeling of existing stores, particularly in the department store format in Chile. The Falabella department stores in Alto Las Condes and Plaza Vespucio, in Santiago, and in Puerto Montt and Temuco represented the largest investments in expansions/remodeling this year. The Company also opened two new shopping centers in Peru, in Huanuco and Cajamarca, strengthening this type of shopping format beyond Lima.

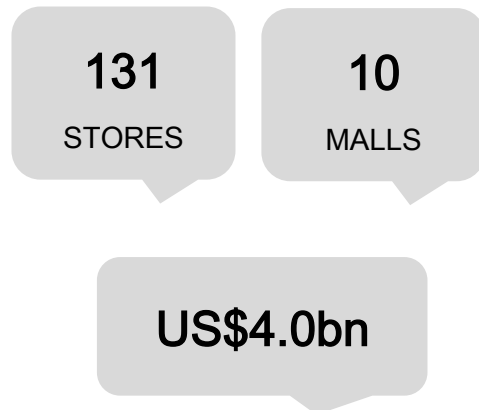
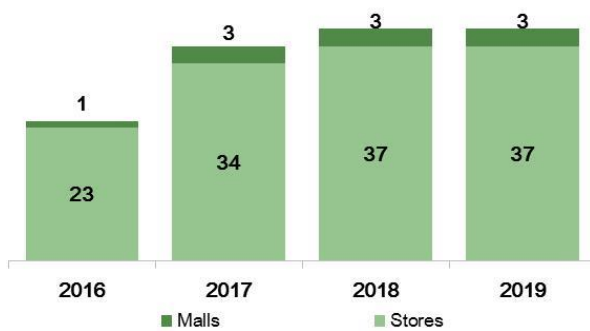
The Falabella Group also made important investments in logistics and IT during the year. These projects include, among others, Sodimac Colombia's new 68,000 m² distribution center, which began operations this year. Tottus Peru also inaugurated a new 17,000 m² distribution center for perishable goods, which is in addition to the 34,000 m² DC for non-perishables that opened at the end of 2014. In addition, the Company implemented a Net Promoter Score (NPS) management tool across all three of its retail formats, in order to more actively manage service levels at all of the Company's stores and points of sale, using the input of real-time customer feedback. Falabella department stores and Sodimac completed part one of the implementation of a new ecommerce platform, to help manage strong online sales growth and spikes in demand during promotional events. In addition, the supermarkets division in Chile and Peru, as well as Sodimac in Colombia, implemented a new warehouse management IT system. At the financial services unit, Banco Falabella in Chile and Colombia made important progress in replacing their core banking systems with a world class IT solution, which should serve as a solid base for growth in those markets.

With operations in Chile, Peru, Colombia, Argentina, Brazil and Uruguay, the Falabella Group operates five business units: department stores, home improvement, supermarket, real estate and financial services. Revenues for the last 12 months, as of September 2015, reached US\$ 11,731 million.

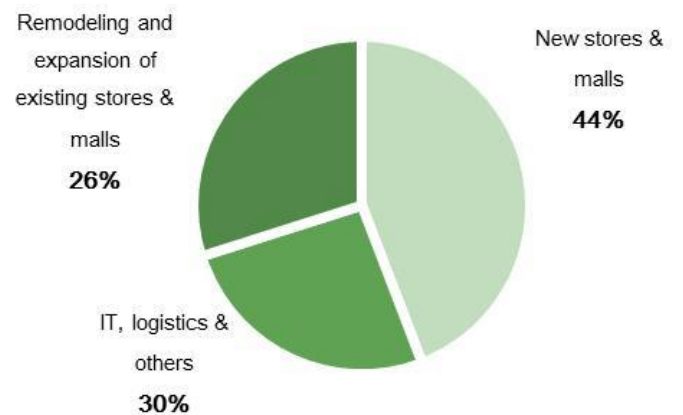
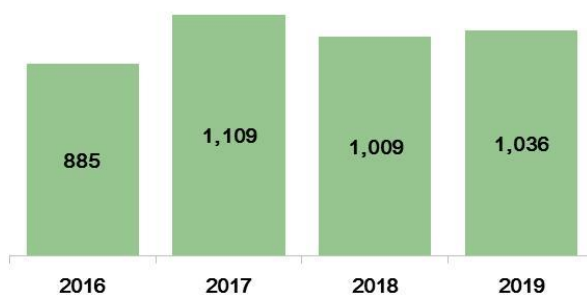


Investment Plan 2016-2019

New stores and malls



Investment plan (US\$ million)



Note: The investment plan includes 100% of expected capex for the Falabella Group and its subsidiaries, including Sodimac Colombia and Aventura Plaza, which the Company does not consolidate.



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<http://www.falabella.com/falabella-cl/static/staticContentWithHeader.jsp?title=Inversionistas-Home>.