S.A.C.I. FALABELLA

EARNINGS REPORT
2nd QUARTER 2016

falabella SODIMAC TOTTUS CMR Falabella Banco Falabella MALLPLAZA OPEN PLAZA

Index

Notes:

- All dollar figures are calculated based on the observed exchange rate as of July 1st 2016: 661.4 $/US$.
- 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 and R$: Brazilian reales.
- M: million; TH: thousand.

I. Executive Summary

Consolidated revenues in the second quarter of 2016 reached $2,120,045 million (MUS$ 3,206), which represents 5.6% growth compared to the same period last year. The increase in revenue is primarily due to SSS growth at Falabella and Sodimac in Chile; loan book growth from Promotora CMR and Banco Falabella Chile; and a higher contribution from Peru due to the appreciation of the PEN/CLP. The 3.9% increase in total sales area in the last 12 months also contributed to consolidated revenue growth. However, the depreciation of local currencies against the Chilean peso, especially the Argentine and Colombian currencies, partially offset this topline growth. Excluding the impact of the currency variation (by using 06/30/15 exchange rates), the company's consolidated revenues would have increased by 9.1%.

The consolidated loan portfolio, as of June 30th, 2016, reached $4,314,499 million (MUS$ 6,524), an 11.8% increase with respect to the same period last year, with growth in every country (in local currency). Provisions to gross loans remained within a stable range, year over year.

Operating income this quarter rose to $215,941 million (MUS$ 327), a 5.0% increase YoY. The operating margin remained stable, compared to the same period last year, at 10.2%, as deterioration in gross margin was offset by an improvement in SG&A/revenues. The variation in gross margin was largely due to cost pressures at Banco Falabella, CMR and operations in Colombia, while the SG&A margin improvement is primarily the result of productivity measures and operating leverage.

Consolidated EBITDA reached $279,789 million (MUS$ 423), a 6.4% YoY increase, with an EBITDA margin of 13.2%, ten basis points higher than 2Q15.

Consolidated non-operating results reached a net expense of $50,286 million (MUS$ 76), which is 11.8% higher than 2Q15, primarily due to higher net financial expenses.

Consolidated net income this quarter reached $118,308 million (MUS$ 179), a 2.5% increase with regards to 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.

In the second quarter, the company inaugurated five stores. Falabella opened a department store in Colombia, in the city of Villavicencia. Tottus opened two supermarkets in Chile: one in the Quillota municipality, in the Valparaiso region; the other in the Ciudad Empresarial neighborhood, in the Huechuraba municipality in Santiago. In Perú, Tottus opened a Hiperbodega Precio Uno supermarket in the province of Chincha, in the department of Ica. Sodimac opened its third store in Brazil, in the Sao Jose de Campos municipality in the state of Sao Paulo. Also during the period, Falabella closed a department store in the city of Copiapo.

After the quarter ended, in July, S.A.C.I. Falabella and Soriana, the second largest supermarket chain operator in Mexico, signed the definitive contracts to develop together a chain of home improvement stores (Sodimac) and a financial services business (CMR) in Mexico.

Also in July, the process of dividing Aventura Plaza S.A.'s assets was finalized and S.A.C.I. Falabella, through its subsidiaries Falabella Peru and Plaza S.A., began to consolidate and control the shopping centers Bellavista, Trujillo and Cayma, all located in Peru.

II. Consolidated Financial Results, as of June, 2016

Consolidated Income Statement 2Q 2016 (MCLP)[1]

	2Q15	% Rev.	2Q16	% Rev.	Var %
Revenues of Non-Banking Operations	1,855,684		1,948,787		5.0%
Revenues of Banking Operations	151,010		171,257		13.4%
Total Revenues	**2,006,694**	**100.0%**	**2,120,045**	**100.0%**	**5.6%**
COGS of Non-Banking Operations	(1,215,510)	-65.5%	(1,277,176)	-65.5%	5.1%
COGS of Banking Operations	(66,437)	-44.0%	(84,300)	-49.2%	26.9%
Gross Profit	**724,747**	**36.1%**	**758,569**	**35.8%**	**4.7%**
SG&A Expenses	(519,101)	-25.9%	(542,628)	-25.6%	4.5%
Operational Income	**205,645**	**10.2%**	**215,941**	**10.2%**	**5.0%**
Depreciation + Amortization	57,260	2.9%	63,848	3.0%	11.5%
EBITDA	**262,906**	**13.1%**	**279,789**	**13.2%**	**6.4%**
Other Income / (Expenses)	725		(765)		-205.5%
Net Financial Income / (Cost)	(50,319)		(61,686)		22.6%
Profit / (Loss) in Associates	5,141		5,741		11.7%
Exchange Rate Differences	(532)		6,424		-1307.5%
Non-Operating Profit	**(44,985)**	**-2.2%**	**(50,286)**	**-2.4%**	**11.8%**
Profit Before Tax Expenses	**160,660**	**8.0%**	**165,655**	**7.8%**	**3.1%**
Income Tax	(34,816)		(37,058)		6.4%
Minority Interest	(10,422)		(10,289)		-1.3%
Net Profit / (Loss)	**115,422**	**5.8%**	**118,308**	**5.6%**	**2.5%**

Consolidated Income Statement 1H 2016 (MCLP)

	1H15	% Rev.	1H16	% Rev.	Var %
Revenues of Non-Banking Operations	3,673,268		3,838,383		4.5%
Revenues of Banking Operations	290,623		335,404		15.4%
Total Revenues	**3,963,891**	**100.0%**	**4,173,788**	**100.0%**	**5.3%**
COGS of Non-Banking Operations	(2,438,563)	-66.4%	(2,541,835)	-66.2%	4.2%
COGS of Banking Operations	(120,681)	-41.5%	(158,392)	-47.2%	31.2%
Gross Profit	**1,404,648**	**35.4%**	**1,473,561**	**35.3%**	**4.9%**
SG&A Expenses	(1,014,689)	-25.6%	(1,064,644)	-25.5%	4.9%
Operational Income	**389,958**	**9.8%**	**408,917**	**9.8%**	**4.9%**
Depreciation + Amortization	115,795	2.9%	125,104	3.0%	8.0%
EBITDA	**505,753**	**12.8%**	**534,021**	**12.8%**	**5.6%**
Other Income / (Expenses)	(3,641)		371		-110.2%
Net Financial Income / (Cost)	(78,415)		(118,443)		51.0%
Profit / (Loss) in Associates	11,936		11,449		-4.1%
Exchange Rate Differences	(10,150)		6,441		-163.5%
Non-Operating Profit	**(80,269)**	**-2.0%**	**(100,182)**	**-2.4%**	**24.8%**
Profit Before Tax Expenses	**309,689**	**7.8%**	**308,735**	**7.4%**	**-0.3%**
Income Tax	(69,186)		(65,915)		-4.7%
Minority Interest	(19,272)		(20,473)		6.2%
Net Profit / (Loss)	**221,231**	**5.6%**	**222,347**	**5.3%**	**0.5%**

[1] CMR Chile and CMR Argentina are included in the Non-Banking Operations.

Summary of Consolidated Balance Sheet, June 1st, 2016 (MCLP)

	31-Dec-15	30-Jun-16	Var %
Current Assets - Non Banking Business	3,237,792	3,122,669	-3.6%
Non Current Assets - Non Banking Business	5,855,381	5,932,941	1.3%
Total Assets - Non Banking Business	**9,093,173**	**9,055,611**	-0.4%
Total Assets - Banking Business	**3,513,824**	**3,658,172**	4.1%
Total Assets	**12,606,997**	**12,713,783**	**0.8%**
Current Liabialities - Non Banking Business	2,079,647	2,045,143	-1.7%
Non Current Liabialities - Non Banking Business	3,145,538	2,954,188	-6.1%
Total Liabialities - Non Banking Business	**5,225,185**	**4,999,331**	**-4.3%**
Total Liabialities - Banking Business	**2,938,520**	**3,102,231**	**5.6%**
Total Liabialities	**8,163,706**	**8,101,562**	**-0.8%**
Total Equity	**4,443,291**	**4,612,221**	**3.8%**
Total Liabilities + Equity	**12,606,997**	**12,713,783**	**0.8%**

Summary of Consolidated Cash Flow, June 1st, 2016 (MCLP)

	30-jun-15	30-jun-16	Var %
Cash flow from operating activities - Non Banking Business	186,310	267,129	43.4%
Cash flow from operating activities - Banking Business	124,637	6,935	-94.4%
Cash flow from operating activities	**310,947**	**274,064**	**-11.9%**
Cash flow from investment activities - Non Banking Business	(201,599)	(178,054)	-11.7%
Cash flow from investment activities - Banking Business	(85,210)	(34,601)	-59.4%
Cash flow from investment activities	**(286,810)**	**(212,655)**	**-25.9%**
Cash flow from financing activities - Non Banking Business	(54,561)	(158,977)	191.4%
Cash flow from financing activities - Banking Business	(16,738)	(17,776)	06.2%
Cash flow from financing activities	**(71,299)**	**(176,753)**	**147.9%**
Increase (decrease) in cash and cash equivalents	**(47,162)**	**(115,344)**	**144.6%**
Impact of exchange rate differences on cash and cash equivalents	550	(11,767)	-2240.4%
Cash and cash equivalents at the beginning of the period	**610,126**	**661,059**	**8.3%**
Cash and cash equivalents at the end of the period	**563,514**	**533,948**	**-5.2%**

III. Main Events during the Period

- In April, S.A.C.I. Falabella signed a memorandum of understanding (MOU) with Soriana, the second largest supermarket chain operator in Mexico, in order to develop together a chain of home improvement stores and a financial services business (see details in Events after the period).
- On April 26^{th}, during the Ordinary Annual Shareholders' Meeting, the following was agreed upon:
    - Approval of a $54 per share final dividend, charged against the earnings of the fiscal year ending December 2015. The dividend was paid on May 10^{th}, 2016.
    - Approval of a dividend policy consisting in the annual distribution of at least 30% of the net profits of each fiscal year.
    - Approval of the firm EY to provide external audit services for the company's fiscal year 2016.
    - Approval of the Annual Report, Balance Sheet, Income Statement and External Auditors Certificate corresponding to the fiscal year ending December 2015.
- In May, S.A.C.I. Falabella issued in the domestic market the equivalent of 4.5 million U.F. (MUS$ 171) in bonds, denominated in U.F. and Chilean pesos, in order to finance short term liabilities. The bonds were issued in two series.
    - The series P is for a total of 2 million U.F., 23 years (20 year grace period), at a U.F. + 3.17% interest rate, which is a 152 basis point spread with regards to the reference rate. This series was 2.7x oversubscribed.
    - The series O is for a total of $63,000 million, 6 years (4 year grace period), at a 5.15% interest rate, which is a 100 basis point spread with regards to the reference rate. This series was 2.6x oversubscribed.
- In May, Mall Plaza Egaña received the 2016 VIVA (Vision, Innovation, Value, Achievement) Award for Sustainability from the International Council of Shopping Centers (ICSC) at its annual event held in Las Vegas.
- During the second quarter, the company opened five stores.
    - Tottus opened three supermarkets in the region. In Chile, the company opened a Tottus supermarket in the Quillota municipality, in the Valparaiso region, with a selling area of approximately 2,600 m^2; and another in the Ciudad Empresarial neighborhood, in the Huechuraba municipality in Santiago, with a selling area of approximately 1,600 m^2. In Perú, Tottus opened a Hiperbodega Precio Uno supermarket in the province of Chincha, in the department of Ica, with a selling area of approximately 2,200 m^2.
    - Sodimac opened its third store in Brazil, in the Sao Jose de Campos municipality in the state of Sao Paulo, with a selling area of approximately 11,200 m^2.
    - Falabella opened a department store in Colombia, in the city of Villavicencia, with a selling area of approximately 5,700 m^2.
- Also during the second quarter, Falabella closed a department store in the city of Copiapo.
- Five specialist stores were opened in the region during the quarter. In Chile, the company opened Etam, Aldo, Spring and Mango stores. In Peru, one Aldo store was opened.
- Falabella added the French lingerie brand Etam to its portfolio of exclusive international brands in Peru and Colombia (available in Falabella Chile as of last year) during the quarter.
- In June, S.A.C.I. Falabella made an R$ 140 million (MUS$ 41.8) capital increase at Construdecor, its home improvement subsidiary in Brazil, in order to finance its investment plan and future growth. As a result, S.A.C.I. Falabella's stake in Construdecor increased to 60.0% (from 50.1%).
- At Sodimac, the Ozom brand entered Uruguay and is now available in four countries.

Events after the period

- In July, S.A.C.I. Falabella and Soriana signed the definitive contracts in order to develop together a chain of home improvement stores (Sodimac) and a financial services business (CMR) in Mexico:
    - S.A.C.I. Falabella and Soriana will each own a 50% stake in the two new companies.
    - S.A.C.I. Falabella and Soriana will each contribute USD 300 million in capital and/or real estate over the next five years in order to develop these projects.
    - The financial services business will begin in the short term with the launch of CMR in all of Soriana's store formats.
    - The initial investment plan includes the opening of approximately 20 Sodimac stores in five years.
- After the end of the quarter, the company opened four stores:
    - In July, a Tottus supermarket in Chile, in the Coquimbo region, with a sales area of 2,400 m^2.
    - In July, a Hiperbodega Precio Uno supermarket in Peru, in the Pisco province, with a sales area of 1,300 m^2.
    - In August, a Hiperbodega Precio Uno supermarket in Peru, in the Barrios Altos neighborhood in Lima, with a sales area of 2,000 m^2.
    - In August, Falabella opened a department store in Colombia, in the shopping center Plaza Central in the city of Bogota, with a selling area of approximately 7,100 m^2.
- On July 6st, the process of dividing Aventura Plaza S.A.'s assets was finalized and S.A.C.I. Falabella, through its subsidiaries Falabella Peru and Plaza S.A., began to consolidate and control the shopping centers Bellavista, Trujillo and Cayma, all located in Peru.
- On July 15^{th}, the company prepaid its Series F bonds (BFALA-F), which totaled U.F. 4 million.
- On August 2nd, Fitch Ratings upgraded Maestro Peru S.A.'s Local and Foreign Currency LongTerm Issuer Default Ratings (IDR) and senior unsecured note ratings to 'BBB+' from 'BBB'. The Rating Outlook is Stable.

IV. 2nd Quarter 2016 Results

1. Revenues

In the second quarter of 2016, consolidated revenues reached $2,120,045 million (MUS$ 3,206), 5.6% higher YoY. The increase in consolidated revenues is primarily due to SSS growth at Falabella and Sodimac in Chile; loan book growth from CMR and Banco Falabella in Chile; and a higher contribution from Peru due to the appreciation of the PEN/CLP. Consolidated revenue also increased as the result of the opening of 24 new stores in the last 12 months (eight stores were closed in the same period), which resulted in a 3.9% net increase in total sales area. The depreciation of the Argentine and Colombian currencies against the Chilean peso, however, partially offset this topline growth.

The company's Chilean operations contributed the most to revenue growth this quarter. Of the three retail units, Falabella presented the highest growth, with revenues up 8.8% YoY, driven by 9.6% SSS growth. Sodimac reported 4.8% revenue growth, in line with the 5.0% increase in its SSS. Tottus reported a 5.4% increase in revenues, primarily driven by the opening of six new stores in the last 12 months. Falabella's SSS growth was largely due to favorable weather, well-received fall/winter collections, sustained growth in omnichannel sales (CyberDay event) and positive results from recently remodeled stores. At Sodimac, enterprise sales continued to outpace retail sales, driven by primarily by the real estate market. Tottus reported -0.7% SSS this quarter, due to weak consumer demand and the impact of the Easter weekend (which was in March this year, and April last year). Plaza's revenue increased by 7.1%, explained by a higher average leasable area due to the opening of new sections of Mall Plaza Egaña and Mall Plaza Copiapo, and by higher sales from tenants.

CMR reported a 14.1% increase in revenues this quarter, driven primarily by a 12.7% increase in the loan portfolio. Banco Falabella Chile's revenues grew by 7.0%, explained by a 9.6% increase in gross loans, partially offset by lower revenue from commissions and lower inflation-adjusted income, given the variation in the Unidad de Fomento (U.F.), which increased by 0.9% QoQ in 2Q16, compared to 1.4% in the same period last year.

In Peru revenues increased by 7.1%, primarily driven by Banco Falabella Peru, which reported a 14.4% increase in gross loans (in local currency); the opening of nine stores in the last 12 months; and by the appreciation of the PEN against the CLP. Saga Falabella's revenues increased by 10.5% (6.2% in local currency), mostly explained by the opening of three new stores in the last 12 months (including a Crate & Barrel), given that the contribution from SSS growth (+1.4%) was tempered by unseasonably warm temperatures and weak domestic demand. Tottus Peru reported 7.0% revenue growth (2.8% in local currency), driven by six new store openings in the last 12 months. The home improvement division continued to face headwinds from the construction industry and reported a -1.6% variation in revenues (-5.4% in local currency), primarily due to SSS which decreased by -4.4%, as well as one store closing (Sodimac Chincha) in the last 12 months.

In the case of Colombia, revenues increased 3.1%, primarily as the result of the depreciation of the COP against the CLP, which offset higher growth in local currency. Banco Falabella Colombia's loan book increased by 28.3% (in local currency). The department store reported -1.0% variation in revenues (+8.1% in local currency, driven by three new store openings in the past 12 months). Argentina reported a -11.5% variation in revenue this quarter, also explained by the pronounced depreciation of the ARS against the CLP, which more than offset positive revenue growth in local currency. Brazil's revenues were, once again, impacted by the depreciation of the local currency and generally weak consumer demand, which was partially compensated this quarter by the opening of a new Sodimac Homecenter (the third in Brazil) in April of this year.

2. Operating Income

Operating income this quarter reached $215,941 million (MUS$ 327), a 5.0% increase with respect to the same period last year, with a 10.2% operating margin, stable with respect to the same period last year.

In Chile, all three retail units reported an increase in their operating margins. Falabella's expanded by 143 basis points, primarily due to fewer markdowns, the favorable impact on imports of the recent currency trend, a higher contribution from apparel in the sales mix and productivity measures at the stores. Sodimac increased operating

margin by 50 basis points, thanks to an improvement in SG&A/revenue, due to greater efficiencies in logistics and at the stores. Tottus achieved a 40 basis point expansion, primarily due to more favorable purchasing terms.

Promotora CMR and Banco Falabella Chile both reported a decrease in their operating margins. CMR's decreased by 439 basis points, explained primarily by a higher collection expenses and provision expenses. Banco Falabella Chile's operating margin decreased by 430 basis points this quarter, primarily due to higher provision expenses, due to the more challenging macroeconomic environment, and increased IT expenses. Plaza's operating margin decreased by 119 basis points, primarily as the result of higher property tax expenses, depreciation expenses and increased costs related to security.

In Peru the operating margin decreased by 59 basis points, primarily due to less fixed expense dilution from SSS deterioration at the retail units and increased provision expenses at Banco Falabella. In Colombia, the operating margin decreased by 406 basis points, primarily due to a second quarter of markdowns at the department store and as of inflation-linked costs and higher provision expenses at Banco Falabella. Argentina's margin lost 129 basis points primarily due to higher wages, utilities and leases. In Brazil, the margin was down 240 basis points due to expenses related to the launch of the first three Sodimac stores in the country and the negative SSS from the existing Dicico stores.

3. Non-Operating Results and Net Income

Consolidated non-operating results reached a net expense of $50,286 million (MUS$ 76), 11.8% higher than 2Q15. This increase is largely due to higher net financial expenses, which reached $61,686 million (MUS$ 93) this quarter. This higher expense is explained by: i) losses from forward instruments taken to hedge letters of credit related to imports (given the general appreciation of local currencies against the USD, QoQ); and ii) a less negative comparison base, given that in 2Q15 the company recognized gains from forwards used to hedge the USD bond issued for the acquisition of Maestro, while this quarter that same bond is hedged with swaps (which provided benefits in the exchange rate differences account, with respect to the same period last year). This increase in financial expenses was partially offset by lower monetary readjustment expenses from inflation-linked debt (the U.F. increased 0.9% this quarter, compared to 1.4% in the same period last year).

Exchange rate differences registered a gain this quarter of $6,424 million (MUS$ 10), compared to an expense of $532 million (MUS$ -1) in the same period last year. The variation is, primarily, due to the fact that the USD bond that the company issued for the purpose of acquiring Maestro was fully hedged this quarter with swaps, which are accounted for in the same line item as the bond. On the other hand, in 2Q15 the bond was partially hedged with forwards, so the gains from those instruments were recognized as financial income while the impact of the depreciation of the CLP/USD on the bond was recognized separately as an exchange rate expense. As a result, the sum of net financial income/(expenses) and exchange rate differences this quarter increased 8.7% compared to the same period last year.

It is worth noting that 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.

Other income/(expenses) this quarter recorded a loss, compared to a gain in 2Q15, given that in the same period last year the company recognized insurance compensation from two stores lost in fires.

The net gain from affiliated companies increased 11.7% this quarter, primarily due to the contribution from Sodimac Colombia to the company's consolidated results.

The effective tax rate increased to 22.4%, compared to 21.7% in the same period last year, primarily due to the increased tax rate in Chile to 24% in 2016 from 22.5% in 2015.

As a result, net income for the period reached $118,308 million (MUS$ 179), 2.5% more 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.

4. Consolidated Balance Sheet

Non-banking current assets decreased $115,122 million (MUS$ 174) with regards to year-end 2015, primarily as a result of a decrease in cash and cash equivalents, trade and other accounts receivable and a decrease in inventory. Non-banking long term assets increased $77,560 million (MUS$ 117), mainly due to an increase in investment properties and deferred tax assets. In the case of the banking business, total assets increased by $144,349 million (MUS$ 218), compared to December 2015, mainly due to transactions with settlement in progress and loans and accounts receivable from clients, due to a higher level of activity in the business. As a result, total assets increased by $106,786 million (MUS$ 161).

Non-banking current liabilities decreased by $34,504 million (MUS$ 52) compared to December 2015, mainly explained by a decrease in trade accounts payable, current tax liabilities and other non-financial liabilities. Non-banking long term liabilities decreased by $191,350 million (MUS$ 289) due to the decrease in other non-current financial liabilities, which decreased primarily due to i) the transfer from long term liabilities to short term liabilities of obligations that come due in 2016; ii) the impact that the depreciation of the USD had on USD denominated liabilities and iii) the refinancing of some current and long term obligations. Total liabilities of the banking business increased $163,711 million (MUS$ 248) due to an increase in transactions with settlement in progress and an increase in time deposits and other term deposits, explained by the higher level of activity of the business. As a result, total liabilities decreased by $62,144 million (MUS$ 94).

5. Consolidated Cash Flow

Non-banking business cash flow from operating activities increased $80,820 million (MUS$ 122) as of June 2016, compared to the same period last year, mainly as a result of higher proceeds from the sale of goods and services, in line with the higher level of activity of the business. Banking business cash flow from operating activities decreased $117,702 million (MUS$ 178), primarily due to a decrease in time deposits and other term deposits. As a result, consolidated cash flow from operating activities decreased by $36,883 million (MUS$ 56) in the period.

Non-banking business cash flow from investment activities was $23,546 million (MUS$ 36) less negative than in the same period last year, mainly due to insurance payments, other cash inflows and a decrease in additions to other long-term assets. Banking business cash flow from investment activities was $50,609 million (MUS$ 77) less negative with respect to the same period last year, mainly due to a less negative contribution from investment securities available for sale. As a result, cash flow from consolidated investment activities as of June 2016 was $74,155 million (MUS$ 112) less negative than in the same period last year.

Non-banking business cash flow from financing activities as of June 2016 was $104,416 million (MUS$ 158) more negative than last year, mainly explained by higher interest paid and less debt contracted. Banking business cash flow from financing activities was $1,037 million (MUS$ 2) more negative than the same period last year due to higher bond and other long-term debt payments and other financing obtained in the period. As a result, consolidated cash flow from financing activities was $105,454 million (MUS$ 159) more negative than the same period last year.

V. Retail Indicators

1. Retail Business Revenues

Retail Revenues 2Q 2016 (MCLP)

	2Q15	2Q16	Var %	Var Local Currency %
Chile				
Department Stores	325,130	353,796	8.8%	8.8%
Home Improvement	487,824	511,044	4.8%	4.8%
Supermarkets	160,943	169,647	5.4%	5.4%
Peru				
Department Stores	136,822	151,190	10.5%	6.2%
Home Improvement	144,463	142,186	-1.6%	-5.4%
Supermarkets	148,723	159,085	7.0%	2.8%
Colombia				
Department Stores	82,274	81,450	-1.0%	8.1%
Home Improvement	181,866	182,368	0.3%	9.7%
Argentina				
Department Stores	95,058	81,765	-14.0%	23.5%
Home Improvement	45,035	39,910	-11.4%	28.0%
Brazil				
Home Improvement	40,933	41,119	0.5%	4.7%

Retail Revenues 1H 2016 (MCLP) [2,3]

	1H15	1H16	Var %	Var Local Currency2 %
Chile				
Department Stores	618,068	685,044	10.8%	10.8%
Home Improvement	994,732	1,047,003	5.3%	5.3%
Supermarkets	316,929	338,701	6.9%	6.9%
Peru				
Department Stores	257,218	275,515	7.1%	4.9%
Home Improvement	312,352	302,042	-3.3%	-4.9%
Supermarkets	302,073	317,526	5.1%	3.2%
Colombia				
Department Stores	150,475	143,097	-4.9%	7.1%
Home Improvement	374,398	364,981	-2.5%	10.2%
Argentina				
Department Stores	175,777	144,505	-17.8%	19.0%
Home Improvement	94,548	82,989	-12.2%	27.7%
Brazil				
Home Improvement	84,941	76,867	-9.5%	1.9%

[2] Does not include revenue from the credit business.
[3] Revenue variation and revenue variation in local currency: the first shows revenue variation in CLP and the second, in local currency.

Same Store Sales (SSS) Nominal Growth [4,5,6,7]

	1Q15	2Q15	3Q15	4Q15	2015	1Q16	2Q16	1H15	1H16
Chile									
Department Stores	4,0%	2,8%	7,9%	8,7%	6,1%	13,1%	9,6%	3,4%	11,3%
Home Improvement	7,9%	8,7%	5,7%	4,9%	6,8%	5,9%	5,0%	8,3%	5,4%
Supermarkets	6,2%	4,1%	2,1%	2,7%	3,6%	2,5%	-0,7%	5,2%	0,9%
Peru									
Department Stores	-1,3%	-2,7%	-0,2%	-0,7%	-1,2%	1,4%	1,4%	-2,0%	1,4%
Home Improvement	0,4%	-1,9%	-4,3%	-5,5%	-3,4%	-3,8%	-4,4%	-0,8%	-4,1%
Supermarkets	3,2%	2,1%	0,2%	-1,9%	0,7%	0,3%	-2,9%	2,6%	-1,4%
Colombia									
Department Stores	0,0%	-1,1%	7,1%	-6,0%	-1,0%	-1,8%	0,0%	-0,6%	-0,8%
Home Improvement	9,5%	11,8%	13,0%	12,0%	11,6%	8,5%	8,5%	10,6%	8,5%
Argentina									
Department Stores	9,5%	11,3%	22,4%	20,3%	16,4%	24,2%	29,0%	10,5%	26,9%
Home Improvement	41,0%	37,9%	36,3%	36,4%	37,7%	29,1%	28,1%	39,5%	27,9%
Brazil									
Home Improvement	-0,3%	2,2%	-9,0%	-8,1%	-4,0%	-10,4%	-8,4%	0,9%	-9,4%

[4] All variations are calculated in nominal terms and in the local currency of each country. In Argentina SSS are calculated net of IIBB.
[5] SSS growth includes revenue generated from the online channel of each business unit.
[6] SSS for Home Improvement Peru include Maestro, starting from 4Q15.
[7] SSS calculation does not include stores that had significant changes in sales area open to the public, due to remodeling, expansions, reductions or closings.

2. Number of Stores and Sales Area of Retail Businesses[8,9,10]

	Sales Area (m²)	Stores (#)	Sales Area (m²)	Stores (#)
Chile				
Department Stores	310,505	45	306,441	44
Home Improvement	703,605	85	711,839	85
Supermarkets	186,958	53	202,603	59
Peru				
Department Stores	155,316	25	172,143	28
Home Improvement	372,401	57	368,448	56
Supermarkets	182,560	49	201,801	55
Colombia				
Department Stores	114,025	18	134,142	21
Home Improvement	338,211	35	341,114	35
Argentina				
Department Stores	57,403	11	57,499	11
Home Improvement	83,736	8	83,352	8
Brazil				
Home Improvement	132,420	58	151,623	57
Uruguay				
Home Improvement	9,442	1	19,211	2
Total Stores	**2,646,582**	**445**	**2,750,216**	**461**

3. Number of Shopping Malls and GLA of Real Estate Operators[11]

	June 2015		June 2016	
	GLA (m²)	Shopping Malls (#)	GLA (m²)	Shopping Malls (#)
Chile				
Mall Plaza	1,190,000	15	1,210,000	15
Open Plaza	232,000	10	228,000	10
Peru				
Aventura Plaza	274,000	4	276,000	4
Open Plaza	247,000	9	271,000	10
Colombia				
Mall Plaza	26,000	1	26,000	1
Total Real Estate	**1,969,000**	**39**	**2,011,000**	**40**

Furthermore, the Group owns 1,020,000 m2 of additional GLA in free standing Falabella, Sodimac, Tottus, Maestro stores and other locations.

[8] During 2015 the Company's sales area measurement was updated, which explains differences with data published in June 2015.

[9] Sales area includes cashiers and check out areas. In the case of Tottus, this represents approximately 8% 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.

[10] The new Crate & Barrel store is included in department stores Peru. In 1H16 the company closed six stores, including five home improvement stores in Chile (Imperial), Peru (Sodimac Chincha), Colombia (Constructor) and Brazil (two Dicico's); and a department store in Chile.

[11] 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.

4. Sales per Square Meter of Retail Businesses

Sales per Square Meter – 2Q 2016 (CLP / m²)

	2Q15	2Q16	Var %
Chile			
Department Stores	1,051,458	1,147,868	9.2%
Home Improvement	702,735	717,921	2.2%
Supermarkets	870,199	851,610	-2.1%
Peru			
Department Stores	881,181	876,761	-0.5%
Home Improvement	387,668	386,004	-0.4%
Supermarkets	814,652	793,920	-2.5%
Colombia			
Department Stores	721,548	620,506	-14.0%
Home Improvement	543,166	534,624	-1.6%
Argentina			
Department Stores	1,655,808	1,421,868	-14.1%
Home Improvement	537,824	478,809	-11.0%
Brazil			
Home Improvement	323,131	280,839	-13.1%
TOTAL	**705,694**	**703,492**	**-0.3%**

Sales per Square Meter – 1H 2016 (CLP / m²)[12,13]

	1H15	1H16	Var %
Chile			
Department Stores	2,003,714	2,218,020	10.7%
Home Improvement	1,439,476	1,470,171	2.1%
Supermarkets	1,719,821	1,709,960	-0.6%
Peru			
Department Stores	1,656,738	1,623,755	-2.0%
Home Improvement	843,936	816,249	-3.3%
Supermarkets	1,657,010	1,614,599	-2.6%
Colombia			
Department Stores	1,319,666	1,098,181	-16.8%
Home Improvement	1,121,966	1,066,620	-4.9%
Argentina			
Department Stores	3,053,873	2,507,781	-17.9%
Home Improvement	1,129,119	994,115	-12.0%
Brazil			
Home Improvement	680,829	529,513	-22.2%
TOTAL	**1,413,125**	**1,392,026**	**-1.5%**

[12] Revenues divided by average area of the period. 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.
[13] Sales area includes cashiers and check out areas. In the case of Tottus, this represents approximately 8% 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.

VI. Financial Indicators

1. Credit Indicators[14,15,16,17,18]

		1Q15	2Q15	3Q15	4Q15	1Q16	2Q16
CMR Chile (Card)							
Total Gross Loans	M CLP	1,255,878	1,277,464	1,266,825	1,379,680	1,410,244	1,440,304
Provisions (stock)	M CLP	(46,978)	(51,619)	(49,880)	(47,902)	(52,826)	(56,900)
Net Write-Offs	M CLP	12,412	23,271	38,540	52,777	15,790	29,490
Open Accounts (with balance)	#	2,294,285	2,311,288	2,306,532	2,377,164	2,357,932	2,367,794
Duration	Months	3.9	4.1	4.1	4.0	3.9	4.1
Average Loan	CLP	547,394	552,707	549,234	580,390	598,085	608,289
Banco Falabella Chile							
Total Gross Loans	M CLP	1,329,908	1,346,129	1,375,583	1,416,219	1,450,057	1,474,960
Provisions (stock)	M CLP	(65,118)	(64,868)	(67,503)	(69,121)	(70,567)	(73,412)
Net Write-Offs	M CLP	9,919	19,914	30,394	41,548	9,872	19,517
Banco Falabella Peru							
Total Gross Loans	M PEN	3,188	3,491	3,620	3,911	3,915	3,995
Provisions (stock)	M PEN	(225)	(244)	(260)	(279)	(299)	(332)
Net Write-Offs	M PEN	26	67	111	164	57	113
Open Accounts (with balance)	#	1,022,313	1,033,171	1,036,351	1,057,033	1,027,854	1,041,944
Duration	Months	10.7	10.8	10.8	10.5	10.6	10.3
Average Consumer Loan	SOL	3,119	3,379	3,493	3,700	3,809	3,834
Banco Falabella Colombia							
Total Gross Loans	M COP	1,442,319	1,507,428	1,545,704	1,747,486	1,768,232	1,933,904
Provisions (stock)	M COP	(84,926)	(92,426)	(94,828)	(101,774)	(107,085)	(124,163)
Net Write-Offs	M COP	13,764	27,235	43,525	61,438	18,981	37,355
Open Accounts (with balance)	#	850,338	871,637	883,303	934,648	915,148	945,253
Duration	Months	8.2	8.1	8.3	8.4	8.8	8.7
Average Consumer Loan	COP	1,696,171	1,729,422	1,749,914	1,869,673	1,932,182	2,045,911
CMR Argentina (Card)							
Total Gross Loans	M ARS	2,021	2,219	2,369	2,904	3,109	3,421
Provisions (stock)	M ARS	(49)	(52)	(44)	(50)	(65)	(84)
Net Write-Offs	M ARS	15	23	30	31	5	11
Open Accounts (with balance)	#	528,600	519,261	512,036	518,875	517,948	519,960
Duration	Months	2.7	2.9	2.8	2.9	2.9	2.9
Average Consumer Loan	ARS	3,823	4,274	4,626	5,597	6,002	6,580

[14] 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.
informadas en los Estados Financieros de la compañía.

[15] Duration is calculated on a monthly basis according to the implied duration: 1/[(monthly cash flow)/(gross loans)]

[16] Total gross loans includes all loans, not just consumer loans.

[17] The CMR card was launched in 30 Maestro stores in February, contributing to Banco Falabella Peru's loan growth.

[18] 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.

2. Percentage of Sales with CMR Card[19]

	1Q15	1H15	9M15	2015	1Q16	1H16
Chile - Falabella	44.7%	46.3%	46.3%	45.7%	41.2%	44.6%
Chile - Sodimac	25.7%	25.6%	25.6%	26.1%	26.8%	27.2%
Chile - Tottus	18.9%	19.3%	19.7%	20.1%	18.7%	19.4%
Peru - Saga, Sodimac & Tottus	35.6%	37.8%	37.9%	38.7%	36.6%	38.5%
Colombia - Falabella & Sodimac	22.3%	24.3%	23.9%	24.5%	20.3%	23.3%
Argentina - Falabella & Sodimac	25.2%	25.1%	24.9%	24.6%	24.7%	25.6%

[19] 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. As of this report, the calculation "Percentage of Sales with CMR card" only takes into account the portion of the transaction that the client paid using the CMR card (on occasion, a client will use more than one method of payment in a transaction). In prior reports, the entire amount of the transaction was considered in this calculation.

VII. Other Indicators

Average Collection Period,[20] Average Payment Period and Inventory Turnover[21]

Chile

	Dep. Stores		Home Improv.		Supermarkets		Promotora CMR		Plaza S.A.	
	2Q15	2Q16	2Q15	2Q16	2Q15	2Q16	2Q15	2Q16	2Q15	2Q16
Average Collection Period	7,2	6,9	25,5	23,1	4,0	1,6	123,0	123,0	31,0	29,0
Average Payment Period	41,8	40,0	42,5	42,7	42,9	42,6	NM	NM	NM	NM
Inventory Turnover (days)	78,5	86,7	70,3	68,0	38,7	46,0	NM	NM	NM	NM

International Operations[22]

	Peru		Argentina		Colombia		Brazil	
	2Q15	2Q16	2Q15	2Q16	2Q15	2Q16	2Q15	2Q16
Average Collection Period	3,4	3,1	15,1	13,0	5,5	8,0	65,1	28,5
Average Payment Period	50,7	44,5	62,9	56,7	66,0	71,1	135,1	108,8
Inventory Turnover (day)	87,2	93,1	105,1	119,8	93,9	112,3	160,5	189,4

[20] Collection period does not include accounts receivable of the retail businesses (department stores, home improvement and supermarkets) with Promotora CMR S.A.
[21] 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
[22] Metrics include only retail operations.

VIII. Operating Results by Business Unit

Operating Results 2Q 2016 (MCLP)[23]

Chile

	Department Stores			Home Improvement			Supermarkets		
	2Q15	2Q16	(%, pbs)	2Q15	2Q16	(%, pbs)	2Q15	2Q16	(%, pbs)
Revenues	325,130	353,796	8.8%	487,824	511,044	4.8%	160,943	169,647	5.4%
Gross Profit	105,215	116,365	10.6%	141,270	147,246	4.2%	40,776	43,550	6.8%
Gross Margin	32.4%	32.9%	53	29.0%	28.8%	-15	25.3%	25.7%	34
SG&A	(91,292)	(96,153)	5.3%	(114,632)	(116,802)	1.9%	(37,373)	(39,286)	5.1%
SG&A / Revenues	-28.1%	-27.2%	90	-23.5%	-22.9%	64	-23.2%	-23.2%	6
Operating Profit	13,923	20,212	45.2%	26,638	30,444	14.3%	3,403	4,263	25.3%
Operating Margin	4.3%	5.7%	143	5.5%	6.0%	50	2.1%	2.5%	40
EBITDA	20,282	27,152	33.9%	35,515	40,345	13.6%	7,472	8,590	15.0%
EBITDA Margin	6.2%	7.7%	144	7.3%	7.9%	61	4.6%	5.1%	42

	Promotora CMR[17]			Banco Falabella Chile		
	2Q15	2Q16	(%, pbs)	2Q15	2Q16	(%, pbs)
Revenues	89,282	101,851	14.1%	69,914	74,821	7.0%
Gross Profit	44,822	46,638	4.1%	40,444	41,770	3.3%
Gross Margin	50.2%	45.8%	-441	57.8%	55.8%	-202
SG&A	(9,721)	(11,064)	13.8%	(21,479)	(24,691)	15.0%
SG&A / Revenues	-10.9%	-10.9%	2	-30.7%	-33.0%	-228
Operating Profit	35,102	35,574	1.3%	18,965	17,079	-9.9%
Operating Margin	39.3%	34.9%	-439	27.1%	22.8%	-430
EBITDA	35,102	35,574	1.3%	20,784	19,194	-7.6%
EBITDA Margin	39.3%	34.9%	-439	29.7%	25.7%	-407

International Operations

	Peru			Colombia			Argentina			Brazil		
	2Q15	2Q16	(%, pbs)	2Q15	2Q16	(%, pbs)	2Q15	2Q16	(%, pbs)	2Q15	2Q16	(%, pbs)
Revenues	488,520	523,107	7.1%	117,268	120,852	3.1%	156,850	138,854	-11.5%	40,933	41,119	0.5%
Gross Profit	156,285	167,001	6.9%	43,638	39,695	-9.0%	72,779	65,848	-9.5%	13,652	13,472	-1.3%
Gross Margin	32.0%	31.9%	-7	37.2%	32.8%	-437	46.4%	47.4%	102	33.4%	32.8%	-59
SG&A	(118,459)	(129,605)	9.4%	(38,928)	(39,744)	2.1%	(64,083)	(59,939)	-6.5%	(17,542)	(18,367)	4.7%
SG&A / Revenues	-24.2%	-24.8%	-53	-33.2%	-32.9%	31	-40.9%	-43.2%	-231	-42.9%	-44.7%	-181
Operating Profit	37,826	37,397	-1.1%	4,710	(49)	-101.0%	8,696	5,910	-32.0%	(3,889)	(4,895)	25.9%
Operating Margin	7.7%	7.1%	-59	4.0%	0.0%	-406	5.5%	4.3%	-129	-9.5%	-11.9%	-240
EBITDA	52,866	54,001	2.1%	7,958	3,416	-57.1%	10,448	7,203	-31.1%	(2,965)	(3,811)	28.5%
EBITDA Margin	10.8%	10.3%	-50	6.8%	2.8%	-396	6.7%	5.2%	-147	-7.2%	-9.3%	-203

Others

	Plaza S.A.			Other, elimination & anulment			SACI Falabella		
	2Q15	2Q16	(%, pbs)	2Q15	2Q16	(%, pbs)	2Q15	2Q16	(%, pbs)
Revenues	59,649	63,859	7.1%	10,381	21,096	103.2%	2,006,694	2,120,045	5.6%
Gross Profit	46,807	48,922	4.5%	19,059	28,062	47.2%	724,747	758,569	4.7%
Gross Margin	78.5%	76.6%	-186	183.6%	133.0%	-5,057	36.1%	35.8%	-34
SG&A	(6,466)	(6,492)	0.4%	873	(486)	-155.7%	(519,101)	(542,628)	4.5%
SG&A / Revenues	-10.8%	-10.2%	67	8.4%	-2.3%	-1,072	-25.9%	-25.6%	27
Operating Profit	40,341	42,430	5.2%	19,932	27,576	38.3%	205,647	215,941	5.0%
Operating Margin	67.6%	66.4%	-119	192.0%	130.7%	-6,129	10.2%	10.2%	-6
EBITDA	48,131	50,957	5.9%	27,313	37,167	36.1%	262,906	279,789	6.4%
EBITDA Margin	80.7%	79.8%	-89	320.4%	206.4%	-11395	13.1%	13.2%	10

[23] 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.

Operating Results 1H 2016 (MCLP)[24]

Chile

	Department Stores			Home Improvement			Supermarkets		
	1H15	1H16	(%, pbs)	1H15	1H16	(%, pbs)	1H15	1H16	(%, pbs)
Revenues	618,068	685,044	10.8%	994,732	1,047,003	5.3%	316,929	338,701	6.9%
Gross Profit	192,848	216,902	12.5%	286,990	306,559	6.8%	78,223	84,116	7.5%
Gross Margin	31.2%	31.7%	46	28.9%	29.3%	43	24.7%	24.8%	15
SG&A	(176,353)	(190,647)	8.1%	(224,298)	(235,188)	4.9%	(73,558)	(78,918)	7.3%
SG&A / Revenues	-28.5%	-27.8%	70	-22.5%	-22.5%	9	-23.2%	-23.3%	-9
Operating Profit	16,495	26,255	59.2%	62,693	71,371	13.8%	4,664	5,198	11.4%
Operating Margin	2.7%	3.8%	116	6.3%	6.8%	51	1.5%	1.5%	6
EBITDA	29,133	39,985	37.3%	79,947	90,632	13.4%	12,919	13,685	5.9%
EBITDA Margin	4.7%	5.8%	112	8.0%	8.7%	62	4.1%	4.0%	-4

	Promotora CMR			Banco Falabella Chile		
	1H15	1H16	(%, pbs)	1H15	1H16	(%, pbs)
Revenues	175,876	200,136	13.8%	130,941	147,584	12.7%
Gross Profit	86,985	89,168	2.5%	78,116	82,986	6.2%
Gross Margin	49.5%	44.6%	-490	59.7%	56.2%	-343
SG&A	(18,916)	(21,417)	13.2%	(109,795)	(121,383)	10.6%
SG&A / Revenues	-10.8%	-10.7%	5	-83.9%	-82.2%	160
Operating Profit	68,069	67,751	-0.5%	(31,679)	(38,398)	21.2%
Operating Margin	38.7%	33.9%	-485	-24.2%	-26.0%	-182
EBITDA	68,069	67,751	-0.5%	38,483	37,792	-1.8%
EBITDA Margin	38.7%	33.9%	-485	29.4%	25.6%	-378

International Operations

	Peru			Colombia			Argentina			Brazil		
	1H15	1H16	(%, pbs)	1H15	1H16	(%, pbs)	1H15	1H16	(%, pbs)	1H15	1H16	(%, pbs)
Revenues	987,287	1,035,153	4.8%	218,890	216,965	-0.9%	303,449	259,924	-14.3%	84,941	76,867	-9.5%
Gross Profit	305,225	322,870	5.8%	84,782	71,578	-15.6%	135,484	122,108	-9.9%	27,878	25,130	-9.9%
Gross Margin	30.9%	31.2%	27	38.7%	33.0%	-574	44.6%	47.0%	233	32.8%	32.7%	-13
SG&A	(234,580)	(254,506)	8.5%	(78,725)	(77,177)	-2.0%	(121,159)	(112,339)	-7.3%	(33,983)	(34,103)	0.4%
SG&A / Revenues	-23.8%	-24.6%	-83	-36.0%	-35.6%	39	-39.9%	-43.2%	-329	-40.0%	-44.4%	-436
Operating Profit	70,645	68,363	-3.2%	6,058	(5,599)	-192.4%	14,324	9,770	-31.8%	(6,106)	(8,973)	47.0%
Operating Margin	7.2%	6.6%	-55	2.8%	-2.6%	-535	4.7%	3.8%	-96	-7.2%	-11.7%	-449
EBITDA	101,396	100,793	-0.6%	12,795	1,128	-91.2%	17,843	12,371	-30.7%	(4,305)	(6,964)	61.8%
EBITDA Margin	10.3%	9.7%	-53	5.8%	0.5%	-533	5.9%	4.8%	-112	-5.1%	-9.1%	-399

Others

	Plaza S.A.			Other, elimination & anulment			SACI Falabella		
	1H15	1H16	(%, pbs)	1H15	1H16	(%, pbs)	1H15	1H16	(%, pbs)
Revenues	117,157	127,532	8.9%	15,621	38,880	148.9%	3,963,891	4,173,788	5.3%
Gross Profit	91,668	99,920	9.0%	36,450	52,224	43.3%	1,404,648	1,473,561	4.9%
Gross Margin	78.2%	78.3%	11	233.3%	134.3%	-9901	35.4%	35.3%	-13
SG&A	(14,797)	(12,789)	-13.6%	71,475	73,824	3.3%	(1,014,689)	(1,064,644)	4.9%
SG&A / Revenues	-12.6%	-10.0%	260	457.6%	189.9%	-26768	-25.6%	-25.5%	9
Operating Profit	76,871	87,131	13.3%	107,925	126,048	16.8%	389,959	408,917	4.9%
Operating Margin	65.6%	68.3%	271	690.9%	324.2%	-36669	9.8%	9.8%	-4
EBITDA	94,007	104,154	10.8%	55,467	72,694	31.1%	505,753	534,021	5.6%
EBITDA Margin	80.2%	81.7%	143	427.1%	218.7%	-20842	12.8%	12.8%	4

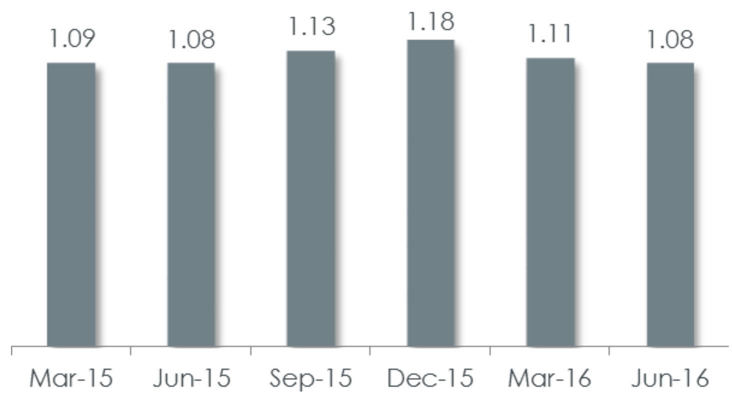
[24] International Operating Results includes banking business in Peru and Colombia, credit card business in Argentina and real estate business in Peru, as well as the corresponding retail businesses.

IX. Financial Structure

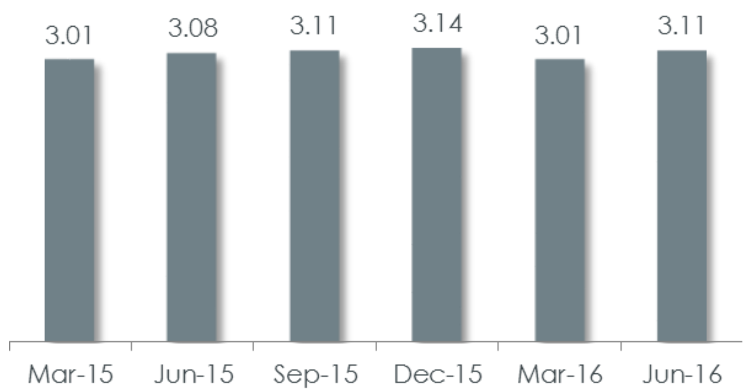
Total liabilities as of June 30th 2016 reached $8,101,835 million (MUS$ 12,250). In turn, the leverage of the non-banking business[25] amounts to 1.08. Considering the financial debt[26] of the non-banking business, the ratio of Net Financial Debt / EBITDA was 3.11.

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 144ª/Reg S, the company has two bonds, one for MUS$ 500 and another for MUS$ 400, both of which are fully hedged with swaps, capital and interest, to maturity.

Leverage Non-Banking Operations

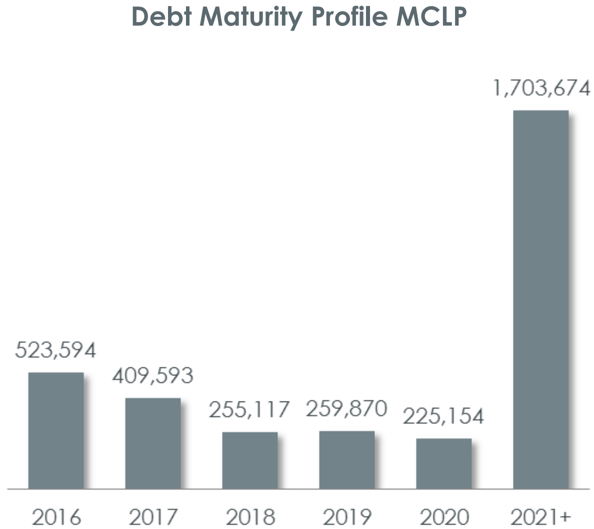


Net Financial Debt / EBITDA Non-Banking[27]

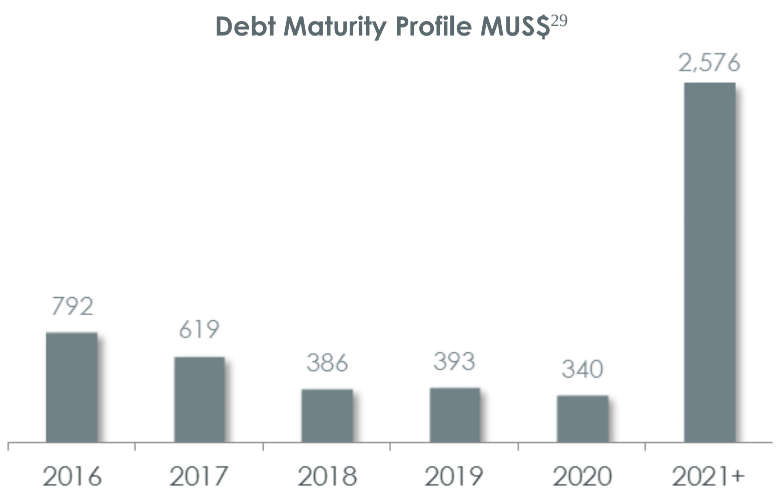


[25] Non-Banking Operations Leverage = Total Non-Banking Operations Liabilities divided by Total Equity.
[26] Non-Banking Business Financial Debt = total Current non-Bank Operations Liabilities + Total Non- current Non-Banking Operations Liabilities – Financial liabilities at fair value through income (Note 33 – Financial Instruments and Financial Risk Management).
[27] 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.

Debt Maturity Profile[28]



Total Consolidated Financial Debt (excluding banking operations): MCLP 3,377,004.



Total Consolidated Financial Debt (excluding banking operations): MUS$ 5,106.

[28] 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.
[29] Debt converted to US$ using the local currency exchange rate for each country at the close of the period.

X. S.A.C.I. Falabella Financial Statements [30]

	For the year ended as of 30-Jun-16	For the year ended as of 30-Jun-15
	TH CLP	TH CLP
Statement of Income		
Non-banking Business		
Revenue from continuing operations	3,838,383,487	3,673,268,460
Cost of sales	(2,541,834,506)	(2,438,562,921)
Gross Profit	**1,296,548,981**	**1,234,705,539**
Distribution costs	(47,851,192)	(47,618,815)
Administrative expenses	(832,000,297)	(788,620,670)
Other expenses, by function	(63,409,231)	(68,655,107)
Other gains (losses)	370,644	(3,640,801)
Financial income	6,987,765	13,814,154
Financial expenses	(110,450,392)	(79,850,972)
Equity interest in profits (losses) of associates accounted for using the equity method	11,068,964	11,596,217
Foreign currency translation	6,441,022	(10,149,585)
Income from indexation units	(14,980,050)	(12,378,304)
Profit (Loss), before Taxes	**252,726,214**	**249,201,656**
Income tax expense	(51,188,937)	(52,840,541)
Profit (loss) from Non-banking Business	**201,537,277**	**196,361,115**
Banking Services (Presentation)		
Interest and indexation revenue	257,099,685	230,671,862
Interest and indexation expenses	(75,231,641)	(59,257,418)
Net Income from Interest and Indexation	**181,868,044**	**171,414,444**
Fee revenue	78,053,477	59,034,835
Fee expenses	(19,039,868)	(15,607,507)
Net Fee Income	**59,013,609**	**43,427,328**
Net income from financial operations	8,639,850	546,766
Net exchange gains (losses)	(1,573,408)	4,888,707
Other operating income	251,260	916,220
Provision for loan losses	(71,187,171)	(51,251,266)
Total Operating Income, net	**177,012,184**	**169,942,199**
Employee remunerations and expenses	(46,951,067)	(43,711,890)
Administrative expenses	(61,341,656)	(53,544,057)
Depreciation and amortization	(8,129,997)	(7,570,785)
Other operating expenses	(4,960,519)	(4,968,022)
Total Operating Expenses	**(121,383,239)**	**(109,794,754)**
Operating Income	**55,628,945**	**60,147,445**
Income from equity method investments in companies	379,871	339,975
Income before Income Taxes	**56,008,816**	**60,487,420**
Income tax expense	(14,725,988)	(16,345,888)
Profit (loss) from Banking Business	**41,282,828**	**44,141,532**
Profit (Loss)	**242,820,105**	**240,502,647**
Profit (loss), Attributable to:		
Owners of the parent	222,347,392	221,230,990
Non-controlling interests	20,472,713	19,271,657
Profit (Loss)	**242,820,105**	**240,502,647**
Earnings per share		
Basic earnings per share		
Basic earnings (loss) per share from continuing operations	0.0913	0.0909
Basic earnings per share	**0.0913**	**0.0909**
Diluted Earnings per Share		
From continuing operations	0.0913	0.0909
Diluted Earnings per Share	**0.0913**	**0.0909**

[30] Negocio Bancario no incluye CMR Chile ni CMR Argentina.

	30-Jun-16	31-Dec-15
	TH CLP	TH CLP
Assets		
Non-banking Businesses		
Current assets		
Cash and cash equiv alents	177,134,629	207,308,226
Other financial assets	18,683,934	23,604,836
Other non-financial assets	105,308,633	88,637,767
Trade and other accounts receiv able	1,626,153,625	1,681,913,169
Accounts receiv able from related parties	5,947,319	5,099,194
Inv entory	1,134,973,612	1,173,671,356
Tax assets	51,535,869	54,621,659
Total of current assets different from those assets or disposal groups	**3,119,737,621**	**3,234,856,207**
Non-current assets or disposal groups classified as held for sale or as held	2,931,781	2,935,337
Non-current assets or disposal groups classified as held for sale or as	**2,931,781**	**2,935,337**
Total Current Assets	**3,122,669,402**	**3,237,791,544**
Non-current Assets		
Other financial assets	143,437,473	164,996,973
Other non-financial assets	43,714,326	36,599,317
Accounts receiv able	213,367,966	203,915,411
Inv estments accounted for using the equity method	195,210,292	184,148,339
Intangible assets other than goodwill	253,140,677	246,913,398
Goodwill	460,707,018	461,664,958
Property, plant and equipment	2,246,094,560	2,236,502,072
Inv estment properties	2,260,035,302	2,228,710,662
Deferred tax assets	117,233,613	91,930,367
Total Non-current Assets	**5,932,941,227**	**5,855,381,497**
Total Assets – Non-banking Business	**9,055,610,629**	**9,093,173,041**
Banking Services Assets (Presentation)		
Cash and bank deposits	297,221,629	372,864,747
Transactions with settlement in progress	94,749,406	13,884,905
Financial assets held for trading	126,137,972	110,154,548
Financial deriv ativ e contracts	12,749,709	8,744,053
Loans and accounts receiv able from clients	2,556,675,080	2,471,067,255
Av ailable for sale instruments	446,939,597	423,103,649
Inv estments in companies	2,956,098	2,801,387
Intangibles	40,051,132	34,128,788
Property, plant and equipment	33,896,165	35,555,641
Current taxes	2,801,914	1,850,246
Deferred taxes	18,996,282	18,580,064
Other assets	24,997,392	21,088,331
Total Bank Services Assets	**3,658,172,376**	**3,513,823,614**
Total Assets	**12,713,783,005**	**12,606,996,655**

	30-Jun-16	31-Dec-15
	TH CLP	TH CLP
Net Equity and Liabilities		
Non-banking Business		
Current Liabilities		
Other financial liabilities	966,490,131	738,717,161
Trade and other accounts payable	801,738,907	1,020,371,592
Accounts payable to related parties	7,519,165	3,240,430
Other current provisions	11,441,793	11,978,083
Current tax liabilities	23,163,649	44,919,936
Employee benefits provisions	117,191,778	121,651,114
Other non-financial liabilities	117,597,607	138,768,939
Total of current lianilities different from those assets or disposal groups	**2,045,143,030**	**2,079,647,255**
Non-current Liabilities		
Other financial liabilities	2,490,381,755	2,700,830,781
Trade and other accounts payable, LT	1,252,807	1,262,231
Other long-term provisions	13,431,716	15,174,089
Deferred tax liabilities	374,956,024	366,958,659
Employee benefits provision	22,574,557	21,045,521
Other non-financial liabilities	51,590,885	40,266,934
Total Non-current Liabilities	**2,954,187,744**	**3,145,538,215**
Total Non-banking Business Liabilities	**4,999,330,774**	**5,225,185,470**
Banking Services Liabilities (Presentation)		
Deposits and other demand liabilities	356,490,011	321,693,368
Transactions with settlement in progress	90,075,137	9,542,490
Time deposits and other term deposits	2,056,719,246	1,988,206,540
Financial derivative contracts	13,563,326	8,166,601
Due to banks	87,751,773	89,884,439
Debt instruments issued	286,247,590	294,047,824
Other financial obligations	152,125,075	159,527,592
Current taxes	2,362,652	4,327,573
Provisions	2,561,639	6,396,024
Other liabilities	54,334,397	56,727,698
Total Banking Services Liabilities	**3,102,230,846**	**2,938,520,149**
Total Liabilities	**8,101,561,620**	**8,163,705,619**
Net Equity		
Issued capital	533,409,643	533,409,643
Retained earnings	3,425,577,405	3,241,684,974
Issuance premiums	93,482,329	93,482,329
Treasury shares	(35,125,632)	(8,632,349)
Other reserves	(149,625,043)	(131,932,183)
Equity attributable to owners of the parent	**3,867,718,702**	**3,728,012,414**
Non-controlling interests	744,502,683	715,278,622
Total Equity	**4,612,221,385**	**4,443,291,036**
Total Equity and Liabilities	**12,713,783,005**	**12,606,996,655**

	30-Jun-16	30-Jun-15
	M$	M$
Statement of cash flows		
Cash flows provided by (used in) operating activities		
Non-banking Business (Presentation)		
Classes of proceeds from operating activities		
Proceeds from sale of goods and providing services	4,542,645,424	4,310,651,862
Classes of payments		
Payment to suppliers for supplying goods and services	(3,461,146,552)	(3,330,309,848)
Payments to and on account of employees	(470,866,808)	(464,145,177)
Income taxes refunded (paid)	(75,491,615)	(69,926,429)
Other cash inflows (outflows)	(268,011,345)	(259,960,843)
Subtotal net cash flows provided by Non-banking Business operating activities	**267,129,104**	**186,309,565**
Banking Services (Presentation)		
Consolidated net income (loss) for the period	41,282,827	44,141,532
Charges (credits) to income that do not involve cash movements:		
Depreciation and amortization	8,129,997	7,570,785
Credit risk provision	85,571,409	63,516,128
Profit losses from equity method investments	(379,871)	(339,975)
Other charges (credits) that do not involve significant cash flow movements	14,725,988	12,097,883
Net change in interest, indexations and fees accrued on assets and liabilities	7,957,584	(2,958,946)
Changes in assets and liabilities affecting cash flow:		
Net (Increase) decrease due from banks	-	29,977,748
Net increase in loans and accounts receivable from clients	(202,578,616)	(201,321,086)
Net decrease in instruments held for trading	(36,218,395)	(2,630,216)
Increase in deposits and other demand obligations	34,796,642	12,320,976
Increase in deposits and other time deposits	68,287,488	169,556,739
Increase in obligations with banks	(2,132,666)	4,267,624
Other use of cash	(12,507,164)	(11,561,879)
Subtotal net cash flows provided by (used in) Banking Services operating activities	**6,935,223**	**124,637,313**
Net cash flows provided by operating activities	**274,064,327**	**310,946,878**
Cash flows provided by (used in) investing activities		
Non-banking Business (Presentation)		
Cash flows to affiliated companies	-	(4,090,717)
Proceeds from disposal of property, plant and equipment	1,790,210	1,610,326
Additions to property, plant and equipment	(137,565,567)	(131,584,533)
Additions to intangible assets	(16,986,045)	(20,248,358)
Additions to other long-term assets	(46,903,541)	(56,551,450)
Dividends received	711,849	4,965,083
Interest received	4,581,920	2,966,907
Other sources of cash	16,317,467	1,333,348
Subtotal net cash flows used in investing activities in the Non-banking Business	**(178,053,707)**	**(201,599,394)**
Banking Services (Presentation)		
Net (Increase) decrease in investment securities available for sale	(22,680,141)	(76,176,465)
Additions to property, plant and equipment	(12,572,313)	(9,697,044)
Cash flows to affiliated companies	-	(819,263)
Dividends received from investments in societies	78,697	385,586
Other sources of cash	572,460	1,096,916
Subtotal net cash flows provided by (used in) Banking Services investing activities	**(34,601,297)**	**(85,210,270)**
Net cash flows provided by (used in) investing activities	**(212,655,004)**	**(286,809,664)**
Cash flows provided by (used in) financing activities		
Non-banking Business (Presentation)		
Proceeds from issuance of shares	7,413,799	-
Payments to acquire own shares	(26,493,283)	(1,400,901)
Proceeds from long-term loans	149,363,561	116,963,409
Proceeds from short-term loans	1,096,354,245	1,591,773,064
Total proceeds from loans	1,245,717,806	1,708,736,473
Loan payments	1,802,223	962,665
Payment of loans	(1,140,710,522)	(1,562,360,703)
Payment of financial lease liabilities	(10,345,199)	(9,591,984)
Dividends paid	(148,382,281)	(129,399,926)
Interest paid	(88,671,682)	(62,334,027)
Other cash inflows (outflows)	691,721	827,466
Subtotal net cash flows provided by (used in) Non-banking Business financing activities	**(158,977,418)**	**(54,560,937)**
Banking Services (Presentation)		
(Redemption) Letters of credit issuance	(3,270,438)	(4,780,880)
Bond payments and other long term loans	(7,800,234)	(3,361,724)
Other	(6,705,227)	(8,595,815)
Subtotal net cash flows provided by (used in) Banking Services financing activities	**(17,775,899)**	**(16,738,419)**
Net cash flows used in financing activities	**(176,753,317)**	**(71,299,356)**
Net increase in cash and cash equivalents, before the effect of changes in the exchange rate	**(115,343,994)**	**(47,162,142)**
Effects of changes in the exchange rate on cash and cash equivalents		
Effects of changes in the exchange rate on cash and cash equivalents	(11,766,908)	549,750
Net increase (decrease) in cash and cash equivalents	**(127,110,902)**	**(46,612,392)**
Cash and cash equivalents at beginning of period	661,059,154	610,126,163
Cash and cash equivalents at end of period	**533,948,252**	**563,513,771**

Cash Flow – Chilean Operations (MCLP)

June 2016	Department Stores	Home Improvement	Supermarkets	Promotora CMR	Banco Falabella	Plaza S.A.
Cash flow from operating activities	146,429	132,629	15,628	(128,238)	(28,378)	92,623
Cash flow from investing activities	(60,062)	(24,669)	(19,234)	-	(25,683)	(28,845)
Cash flow from financing activities	(93,862)	(106,001)	(1,304)	132,460	(41,921)	(78,259)
Increase (decrease) in cash and cash equivalents	(7,496)	1,960	(4,909)	4,222	(95,982)	(14,482)
Impact of exchange rate differences on cash and cash equivalents	(350)	(787)	(33)	(9)	-	(233)
Cash and cash equivalents at the beginning of the period	36,222	21,547	10,603	13,293	285,954	32,176
Cash and cash equivalents at the end of the period	28,377	22,720	5,661	17,506	189,972	17,462

June 2015	Department Stores	Home Improvement	Supermarkets	Promotora CMR	Banco Falabella	Plaza S.A.
Cash flow from operating activities	57,028	71,094	9,176	31,784	126,130	103,689
Cash flow from investing activities	(22,716)	(26,687)	(6,303)	(844)	(81,356)	(53,720)
Cash flow from financing activities	(43,137)	(44,112)	(5,979)	(28,522)	(29,330)	(50,752)
Increase (decrease) in cash and cash equivalents	(8,824)	294	(3,106)	2,418	15,444	(783)
Impact of exchange rate differences on cash and cash equivalents	(27)	163	(15)	-	-	256
Cash and cash equivalents at the beginning of the period	42,859	20,646	11,559	13,157	245,872	15,776
Cash and cash equivalents at the end of the period	34,008	21,103	8,438	15,575	261,316	15,249

Cash Flow –International Operations (MCLP)

June 2016	Peru	Colombia	Argentina	Brazil
Cash flow from operating activities	55,369	(18,096)	(34,704)	(8,791)
Cash flow from investing activities	(40,040)	(18,139)	(3,648)	(5,100)
Cash flow from financing activities	(25,599)	31,394	36,760	29,921
Increase (decrease) in cash and cash equivalents	(10,270)	(4,841)	(1,592)	16,030
Impact of exchange rate differences on cash and cash equivalents	(6,972)	(2,502)	(994)	243
Cash and cash equivalents at the beginning of the period	211,223	33,299	5,944	1,985
Cash and cash equivalents at the end of the period	193,981	25,956	3,359	18,258

June 2015	Peru	Colombia	Argentina	Brazil
Cash flow from operating activities	25,501	(30,972)	6,994	(7,720)
Cash flow from investing activities	(43,132)	7,465	(3,276)	(5,985)
Cash flow from financing activities	(7,806)	5,515	(4,496)	5,202
Increase (decrease) in cash and cash equivalents	(25,436)	(17,993)	(778)	(8,503)
Impact of exchange rate differences on cash and cash equivalents	(302)	784	89	(1,011)
Cash and cash equivalents at the beginning of the period	183,232	48,215	4,307	10,874
Cash and cash equivalents at the end of the period	157,494	31,007	3,618	1,360

S.A.C.I. Falabella

Address:
Manuel Rodriguez Norte 730
Santiago, Chile

Contacts:
Isabel Darrigrandi /María Paz Fernández /Constanza Saver
Investor Relations Department
Phone: +56 (2) 2487-3910
Email: inversionistas@falabella.cl

Website:
www.falabella.com/inversionistas