



Over the next four years: SACI Falabella plans to invest US\$ 4,000 million in the region

Santiago, January 9, 2017.- SACI Falabella announced plans to invest US\$4,000 million from 2017 through 2020 in order to expand its presence in the region, develop its omnichannel strategy and implement initiatives to boost productivity.

Approximately 42% of this capex will be allocated to the opening of 114 new stores and nine new shopping centers. In addition, nearly 27% 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 31% 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.

During 2017, the company plans to invest US\$ 977 million in the region and open 23 stores and two shopping centers.

"We continue to be focused on improving the efficiency and productivity of our operations and, in parallel, we continue to invest in the foundations for future growth, extending our physical footprint and digital capabilities in order to better server our customers", said Sandro Solari, Chief Executive Officer of SACI Falabella.

By year-end 2016, SACI Falabella had 476 stores and 38 shopping centers in the region. During the year, the SACI Falabella opened 25 stores: four in Chile, 11 in Peru and eight in Colombia, one in Brazil and one in Uruguay. In terms of store format, SACI Falabella opened seven department stores, six home improvement stores, 12 supermarkets. The Company also inaugurated a shopping center in Huancayo, Peru.

In 2016, SACI Falabella continued to invest in the expansion and remodeling of existing stores. Among the highlights was the inauguration of the recently remodeled Falabella department stores in



the Alto Las Condes shopping center in Santiago and in Viña del Mar. The Company also completed the renovation of the Women's and Junior Women's departments in another five department stores in Chile during the year, as well as minor investments in various other stores in the region.

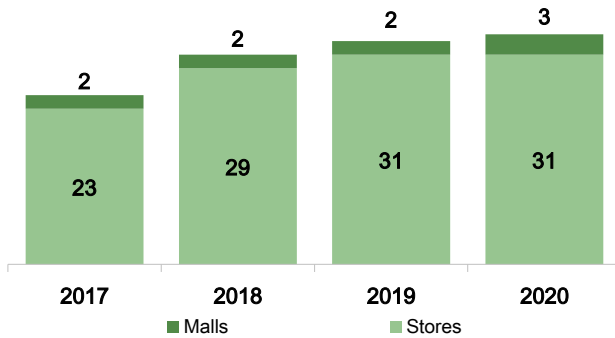
SACI Falabella made important investments in logistics and IT during the year. In Peru, the Company inaugurated a 65,000 m² DC for the Sodimac and Maestro home improvement stores. In Colombia, Sodimac launched a new dispatch center for home deliveries. In Brazil, the Company equipped a rented 20,000 m² DC, which can be expanded to 80,000 m², to manage the logistics for both the Dico and Sodimac formats. Banco Falabella in Chile and Colombia completed the implementation of the new core banking system with a world class IT solution. Banco Falabella in Colombia re-launched its website, with a new design and functionalities. The Falabella financial services unit also introduced new mobile apps for CMR Chile, CMR Argentina and Banco Falabella Chile.

With operations in Chile, Peru, Colombia, Argentina, Brazil and Uruguay, SACI Falabella operates five business units: department stores, home improvement, supermarket, real estate and financial services. In addition, in July of last year, the Company signed the definitive contracts with Soriana in order to develop together a chain of home improvement stores (Sodimac) and a financial services business (CMR) in Mexico. SACI Falabella is also the first retailer in Latin America to be included in the Dow Jones Sustainability World Index (DJSI World), which tracks the leading sustainability-driven companies. Revenues for the last 12 months, as of September 2016, reached US\$ 13,116 million.

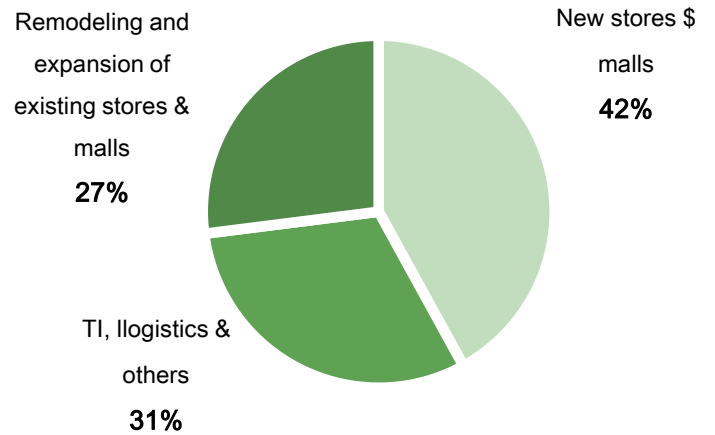
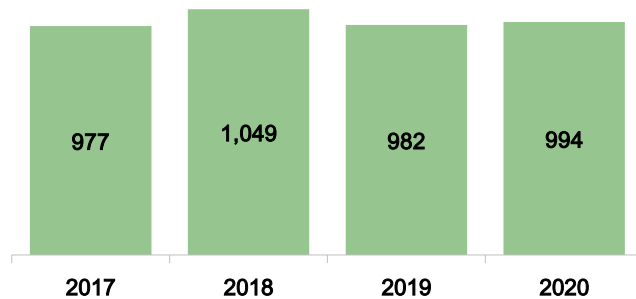


Investment Plan 2017-2020

New stores and malls



Investment plan (US\$ million)



Note: The investment plan includes 100% of expected capex for SACI Falabella and subsidiaries, including Sodimac Colombia, Sodimac Mexico, CMR Mexico, which the Company does not consolidate.



Our discussion and analysis in this document may include estimates, projections and other forms of information that might be considered forward-looking. While these forward-looking statements represent our opinion, as of this date, on the future performance of the economy, our businesses and the industries and markets in which our operations take place –among other material factors that could impact the performance of our company-- such projections and estimates are subject to, and may be impacted by, risks and uncertainties that may cause plans announced in this document, or the results that we expect of the same, to deviate materially. We hereby caution the recipients and readers of this announcement to not place expectations over the content of the same that do not adequately ponder such risks and uncertainties. It is important that you bear in mind that by issuing this announcement we are not undertaking an obligation to revise it in the future or release updates of the forward-looking statements that may be included here, based on future events or new information that is not available as of this date, or otherwise. For further information on the risk factors that could impact our projections and estimates about the future, as well as for more detailed information about our company and our businesses, please review our most recent regulatory filings, as well as the publicly-available information that you will find on our company at our investor relations website:

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