

S.A.C.I. Falabella

EARNINGS REPORT

1st Quarter 2017



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Notes:

- All dollar figures are calculated based on the observed exchange rate as of April 3rd 2017: 663.97 \$/US\$.
- Symbols for quarters: 1Q, 2Q, 3Q y 4Q.
- 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.
- Mn: million; Th: thousand.



I. Executive Summary

In the first quarter of 2017, S.A.C.I. Falabella reported consolidated revenues of \$2,131,801 million (US\$ 3,211 mn), 3.8% more than the same period last year. The increase in revenue was, primarily, the result of 8.1% SSS growth at the department store unit in Chile, revenue growth from the banking and financial services business, results from omnichannel initiatives and a 4.1% net increase in sales area (17 net store openings in the last 12 months). This revenue growth was partially offset by weak consumer demand resulting from regional macroeconomic headwinds, the increase in the Colombian VAT and the impact of the *Niño Costero* storms and floods in Peru. The depreciation of the PEN and the ARS against the CLP also offset part of S.A.C.I. Falabella's consolidated revenue growth. Adjusting for currency variation (by using 03/31/16 exchange rates), S.A.C.I. Falabella's consolidated revenue growth would have been 4.9%.

The consolidated loan portfolio, as of March 31th, 2017, reached \$4,557,955 million (US\$ 6,865 mn), a 9.0% increase with respect to the same period last year.

Operating income this quarter reached \$216,023 million (US\$ 325 mn), a 12.7% increase YoY. The operating margin was 10.1%, an increase of 80 basis points compared to the same period last year. The expansion in operating margin was mainly driven by the Chilean department store business, Colombia and CMR Chile.

Consolidated EBITDA in the first quarter reached \$284,793 million (US\$ 429 mn), a 12.0% YoY increase, with an EBITDA margin of 13.4%, 98 basis points higher than 1Q16. It is worth highlighting that the Falabella department store in Chile reported \$24,651 million in EBITDA (US\$ 37 mn) this quarter, which was 92.1% higher than the same period last year, with an EBITDA margin expansion of 307 basis points. This increase in EBITDA margin was primarily the result of positive results from the omnichannel strategy, growth in apparel sales (particularly private and exclusive brands) and a more stable CLP/USD.

S.A.C.I. Falabella reported a consolidated non-operating net expense of \$51,447 million (US\$ 77 mn) this quarter, 3.2% higher than the same period last year. This quarter, Peru was affected by the *Niño Costero* weather event, which was particularly severe in the north of the country. S.A.C.I. Falabella temporarily closed for repairs the Open Plaza Piura shopping center (and the SagaFalabella, Sodimac and Tottus stores located there) and the SagaFalabella store in downtown Piura, as they were damaged by the floods. As a result, S.A.C.I. Falabella recognized a loss of CLP 6,250 million (US\$ 9 mn) in the Other income/(expenses) account this quarter, from damages to inventories and fixed assets, related to the *Niño Costero*. The company and its subsidiaries are in the process of filing the corresponding insurance claims to compensate damages and losses.

Consolidated net income in 1Q17 reached \$115,664 million (US\$ 174 mn), an 11.8% YoY increase. Excluding the one-time loss related to the *Niño Costero* weather event in Peru, net income would have increased by 16.0% YoY. Net income does not include gains or losses from asset revaluations of investment properties, as the company adopted the historic cost method.

In the first quarter, S.A.C.I. Falabella opened a new Tottus supermarket in Chile, located in the municipality of Vitacura in the city of Santiago. Also, S.A.C.I. Falabella closed a Tottus supermarket in Chile and a Dicico store in Brazil during the quarter.

In January, S.A.C.I. Falabella announced its US\$ 4 billion investment plan for the 2017-2020 period. The company and its subsidiaries plan to allocate 42% of these resources to the opening of 114 new stores and nine new shopping centers; 31% will be dedicated to logistics (including new DC's) and technology, in order to support the growth of omnichannel operations and to improve efficiency/productivity across the different business units in each country; and 27% will be used to remodel and increase the sales area of existing stores and shopping centers, in order to continue to improve customer experience and maximize the performance of these points of sale.



II. Consolidated Financial Results, as of March 2017

Consolidated Income Statement 1Q 2017 (CLP million)¹

	1Q16	% Rev.	1Q17	% Rev.	Var %
Revenues of Non-Banking Operations	1,889,596		1,952,033		3.3%
Revenues of Banking Operations	164,147		179,768		9.5%
Total Revenues	2,053,743	100.0%	2,131,801	100.0%	3.8%
COGS of Non-Banking Operations	(1,266,354)	-67.0%	(1,281,072)	-65.6%	1.2%
COGS of Banking Operations	(74,092)	-45.1%	(86,841)	-48.3%	17.2%
Gross Profit	713,297	34.7%	763,888	35.8%	7.1%
SG&A Expenses	(521,635)	-25.4%	(547,865)	-25.7%	5.0%
Operational Income	191,662	9.3%	216,023	10.1%	12.7%
Depreciation + Amortization	62,544	3.0%	68,770	3.2%	10.0%
EBITDA	254,206	12.4%	284,793	13.4%	12.0%
Other Income / (Expenses)	1,162		(5,890)		NM
Net Financial Income / (Cost)	(56,731)		(52,310)		-7.8%
Profit / (Loss) in Associates	5,708		4,436		-22.3%
Exchange Rate Differences	17		2,317		NM
Non-Operating Profit	(49,844)	-2.4%	(51,447)	-2.4%	3.2%
Profit Before Tax Expenses	141,818	6.9%	164,576	7.7%	16.0%
Income Tax	(28,505)		(37,291)		30.8%
Minority Interest	(9,811)		(11,621)		18.4%
Net Profit / (Loss)	103,502	5.0%	115,664	5.4%	11.8%

Summary of Consolidated Balance Sheet, as of March 31st 2017 (CLP million)

	31-dic-2016	31-mar-2017	Var %
Current Assets - Non Banking Business	3,417,359	3,382,078	-1.0%
Non Current Assets - Non Banking Business	6,724,734	6,831,997	1.6%
Total Assets - Non Banking Business	10,142,093	10,214,075	0.7%
Total Assets - Banking Business	3,783,184	3,889,852	2.8%
Total Assets	13,925,277	14,103,927	1.3%
Current Liabilities - Non Banking Business	2,456,697	2,220,543	-9.6%
Non Current Liabilities - Non Banking Business	3,323,102	3,445,543	3.7%
Total Liabilities - Non Banking Business	5,779,799	5,666,086	-2.0%
Total Liabilities - Banking Business	3,097,121	3,208,984	3.6%
Total Liabilities	8,876,920	8,875,071	0.0%
Total Equity	5,048,357	5,228,856	3.6%
Total Liabilities + Equity	13,925,277	14,103,927	1.3%

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

Summary of Consolidated Cash Flow, as of March 31st 2017 (CLP million)

	31-mar-2016	31-mar-2017	Var %
Cash flow from operating activities - Non Banking Business	200,335	173,812	-13.2%
Cash flow from operating activities - Banking Business	15,258	130,592	755.9%
Cash flow from operating activities	215,593	304,405	41.2%
Cash flow from investment activities - Non Banking Business	(83,651)	(117,937)	41.0%
Cash flow from investment activities - Banking Business	(30,102)	(119,583)	297.3%
Cash flow from investment activities	(113,753)	(237,521)	108.8%
Cash flow from financing activities - Non Banking Business	(130,617)	(105,898)	-18.9%
Cash flow from financing activities - Banking Business	(1,797)	(5,496)	205.8%
Cash flow from financing activities	(132,415)	(111,394)	-15.9%
Increase (decrease) in cash and cash equivalents	(30,575)	(44,510)	45.6%
Impact of exchange rate differences on cash and cash equivalents	(12,310)	7,449	-160.5%
Cash and cash equivalents at the beginning of the period	661,059	575,993	-12.9%
Cash and cash equivalents at the end of the period	618,174	538,931	-12.8%



III. Main Events during the Period

- In January S.A.C.I. Falabella announced its updated investment plan for the 2017-2020 period. The company and its subsidiaries expect to invest US\$ 4 billion during this four-year period, in the following manner:
 - 42% of this capex will be allocated to the opening of 114 new stores and nine new shopping centers.
 - 31% will be dedicated to logistics (including new DC's) and technology, in order to support the growth of its omnichannel operations and to improve efficiency/productivity across the different business units in each country.
 - 27% will be used to increase selling area and remodel existing stores and shopping centers, in order to continue to improve customer experience and maximize the performance of these points of sale.
- During the first quarter, S.A.C.I. Falabella opened a new Tottus supermarket in Chile, located in the municipality of Vitacura, in the city of Santiago, with a selling area of approximately 1,700 m². Also, the company and its subsidiaries closed a Tottus supermarket in Chile and a Dicico store in Brazil during the quarter.
- During the quarter, Banco Falabella Colombia and the wholesale supermarket chain Makro, began issuing CMR-Makro credit cards at Makro stores in Colombia, as agreed to in an announcement made in November of last year.

Events after the period

- On April 25th during the Ordinary Annual Shareholders' Meeting, the following was agreed upon:
 - Approval of the Annual Report, Balance Sheet, Income Statement and External Auditors' Certificate corresponding to the fiscal year ending December 2016.
 - Approval of a \$54 per share final dividend, charged against the earnings of the fiscal year ending December 2016. The dividend was paid on May 9th, 2017 to the shareholders of the single series of shares that were registered in the Shareholders Registry by May 3th, 2017.
 - Approval of a dividend policy consisting in the annual distribution of at least 30% of the net distributable liquid profit of each fiscal year.
 - Approval of the firm Ernst & Young Servicios Profesionales de Auditoría y Asesorías Limitada to provide external audit services for the company's fiscal year 2017.
 - The following individuals were elected to the Board of Directors for the statutory period of three years: Messrs. José Luis del Ríó, Juan Carlos Cortés, Carlo Solari, Carlos Heller, Juan Pablo del Ríó, Sergio Cardone, Hernán Buchi, and Ms. María Cecilia Karlezi and Ms. Paola Cúneo.
 - Lastly, other matters within the scope of this meeting were reviewed.
- In April, Sodimac opened its fourth Sodimac store in Brazil, located in the municipality of Guarulhos in the state of Sao Paulo, with a selling area of approximately 11,200 m².
- In May, Tottus opened a new Tottus supermarket in Peru, in the department of Cusco, with a selling area of approximately 4,000 m².



IV. 1st Quarter 2017 Results

1. Revenues

In the first quarter of 2017, S.A.C.I. Falabella reported consolidated revenues of \$2,131,801 million (US\$ 3,211 mn), 3.8% more than the same period last year. The increase in revenue was, primarily, the result of 8.1% SSS growth at the department store unit in Chile, 9.0% growth of the consolidated loan portfolio and a 4.1% net increase in sales area (23 new store openings and six closings in the last 12 months). This revenue growth was partially offset by weak consumer demand resulting from regional macroeconomic headwinds, the increase in the Colombian VAT tax and the impact of the *Niño Costero* storms and floods in Peru. The depreciation of the PEN and the ARS against the CLP also offset part of S.A.C.I. Falabella's consolidated revenue growth. Adjusting for currency variation (by using 03/31/16 exchange rates), S.A.C.I. Falabella's consolidated revenues would have increased by 4.9%.

In Chile, CMR reported a 17.6% increase in revenues this quarter, driven primarily by a 12.3% increase in its loan portfolio. Revenues from commissions grew 25.6%, primarily due to an increase in merchant fees from third party vendors, as more customers used CMR as their primary credit card. Banco Falabella Chile's revenues grew by 8.3%, explained by an 8.6% increase in gross loans. Department stores reported 7.2% revenue growth, explained by 8.1% SSS growth, which resulted from omnichannel sales and a solid performance from private and exclusive brands. Tottus reported 1.5% revenue growth, driven by the addition of five new stores in the last year, given that SSS was -2.0% in the quarter. Sodimac's revenues decrease by -0.9% this quarter, explained by -1.7% SSS, which was primarily due to the slowdown in the construction sector in Chile.

In Peru revenues were flat, primarily due to the weak consumer environment, the depreciation of the average PEN/CLP and the floods in the north of Peru from the *Niño Costero* storms and floods in March. S.A.C.I. Falabella temporarily shut down for repairs the Open Plaza Piura shopping center (and its SagaFalabella, Sodimac and Tottus stores), as well as the SagaFalabella store in downtown Piura. SagaFalabella's revenues decreased by -4.1% (-2.0% in local currency), explained by -5.9% SSS, partially offset by a new store opening in the last 12 months. The home improvement format continued to face weakness in the construction sector and reported -4.7% in revenues (-2.7% in local currency), primarily due to -2.6% SSS. Tottus Peru reported 4.3% revenue growth (+6.4% in local currency), driven by the addition of six new supermarkets in the last 12 months, which was partially offset by -1.8% SSS.

In Colombia, revenues increased 21.6%, primarily due to topline growth in local currency at both Falabella Retail and Banco Falabella, bolstered by the appreciation of the COP against the CLP. Revenue in local currency at the department store was driven by five new store openings in the last 12 months, partially offset by -2.4% SSS. Banco Falabella Colombia's revenue growth was, primarily, due to the 12.1% YoY increase in the loan book (in local currency). In Brazil revenues increased 16.3%, driven by the appreciation of the BRL against the CLP and also by the increase in sales area, explained by the addition of a new Sodimac store in the last 12 months (three Dicico stores were closed in the same period). Argentina reported a 2.2% increase in revenues this quarter, as revenue growth in local currency was mostly offset by the depreciation of the ARS against the CLP.

2. Operating Income

Operating income this quarter reached \$216,023 million (US\$ 325 mn), a 12.7% increase with respect to the same period last year, with an operating margin of 10.1%, which was 80 basis points higher YoY.

In Chile, the department store reported an operating margin expansion of 300 basis points. This increase in margin was primarily the result of the stabilization of the CLP/USD, growth in apparel sales (particularly private and exclusive brands) and less markdowns. Sodimac's operating margin decreased by 111 basis points, due to lower dilution of fixed expenses, given the impact on SSS from the slowdown in construction. Tottus reported a 63 basis points increase in operating margin, primarily due to gross margin expansion, explain by better procurement management and higher private label participation.

CMR's operating margin increased by 481 basis points while Banco Falabella Chile reported a decrease of 239 basis point in the same period. With regards to CMR, the margin improvement is attributable, in part, to the comparison base, given that in the first quarter of last year CMR had a lower gross margin due to higher collection costs. This lower comparison



base more than offset the 41.1% increase in the provision for loan losses expense this quarter, which was the result of i) higher provision expenses from the transition to a more predictive provision model and ii) increased write-offs and provisions due to delinquency. Banco Falabella's operating result decrease -3.1%, mainly due to increases in provision for loan losses and IT expenses. Plaza reported a 63 basis points expansion in operating margin, primarily because of increased dilution of depreciation costs and fixed expenses due to the opening of new areas of Mall Plaza Egaña (educational building) and Mall Plaza Copiapo (medical office).

Peru's operating margin increased 63 basis points, primarily due the operating margin expansion in home improvement and supermarket. In Colombia, the operating margin improved by 646 basis points, largely due to a recovery in gross margins at the department store, given that the first quarter of last year had been impacted by strong promotional activity. In Argentina, the operating margin increased by 10 basis points, primarily due to operating margin improvement at CMR Argentina. Brazil reported a stable operating margin.

3. Non-Operating Results and Net Income

Consolidated non-operating results reached a net expense of \$51,447 million (US\$ 77 mn) this quarter, a 3.2% increase YoY. This increase is largely due to the Other Income/(Expenses) account, which reported a net expense of \$5,890 million (US\$ 9 mn) this quarter, compared to a gain of \$1.162 million (US\$ 2 mn) in the same period last year. The expense this quarter is primarily attributable to a loss of \$6,250 million (US\$ 9 mn), which corresponds to damages to inventories and fixed assets related to the *Niño Costero* storms and floods in the north of Peru. The account Gain from Affiliated Companies registered a 22.3% YoY decrease, primarily as a result of the Aventura Plaza S.A. joint venture dissolution in July 2016. Net Financial Expenses this quarter reached \$52,310 million (US\$ 79 mn), 7.8% less than the same period last year, due to lower losses from forward instruments taken to hedge letters of credit related to imports.

S.A.C.I. Falabella has two outstanding dollar denominated bonds, one for US\$ 500 million and another for US\$ 400 million, both of which have both capital and interest fully hedged, with swaps, to maturity.

The tax expense increased by 30.8% this quarter, mainly due to the increase in the tax rate in Chile, from 24% to 25.5%, and in Peru, from 28% to 29.5%.

As a result, net income for the period reached \$115,664 million (US\$ 174 mn), an 11.8% YoY increase. Net income does not include gains or losses from asset revaluations of investment properties, as S.A.C.I. Falabella adopted the historic cost method.

4. Consolidated Balance Sheet

Non-banking current assets decreased \$35,281 million (US\$ 53 mn) compared to year-end 2016, primarily due to a decrease in trade and other accounts receivables and inventory. Non-banking long term assets increased \$107,263 million (US\$ 162 mn), mainly due to an increase in property, plant and equipment and investment properties, given the investment in new stores and shopping centers, as well as expansions and renovations of existing stores and shopping centers. In the case of the banking business, total assets increased by \$106,668 million (US\$ 161 mn), compared to December 2016, mainly due to an increase in financial assets held for trading and assets available for sale. As a result, total assets increased \$178,650 million (US\$ 269 mn).

Non-banking current liabilities decreased by \$236,154 million (US\$ 356 mn) compared to December 2016, mainly explained by a decrease in other current financial liabilities, as short-term debt was refinanced. Non-banking long-term liabilities increased \$122,441 million (US\$ 184 mn), due to an increase in other financial liabilities. Total liabilities of the banking business increased \$111,863 million (US\$ 168 mn) due to a higher level activity in the business. As a result, total liabilities decreased \$1,849 million (US\$ 3 mn).

5. Consolidated Cash Flow

Non-banking business cash flow from operating activities decreased by \$26,522 million (US\$ 40 mn) as of March 2017, compared to the same period last year, mainly as a result of higher payment to suppliers for supplying goods and services and an increase in income tax payments, partially offset by higher proceeds from sale of goods and providing services.



Banking business cash flow from operating activities increased \$115,334 million (MUS\$ 174), primarily due to a decrease in deposits and other time deposits. As a result, consolidated cash flow from operating activities increased \$88,812 million (MUS\$ 134) in the period.

Non-banking business cash flow from investment activities was \$34,286 million (MUS\$ 52) more negative than in the same period last year, mainly due to higher additions to property, plant and equipment and higher additions to other long-term assets. Banking business cash flow from investment activities was \$89,481 million (MUS\$ 135) more negative with respect to the same period last year, mainly due to a higher contribution from investment securities available for sale. As a result, cash flow from consolidated investment activities as of March 2017 was \$123,768 million (MUS\$ 186) more negative than in the same period last year.

Non-banking business cash flow from financing activities as of March 2017 was \$24,719 million (MUS\$ 37) less negative than last year, mainly explained by lower payment of loans. Banking business cash flow from financing activities was \$3,699 million (MUS\$ 6) more negative than the same period last year, due to higher bond payments and other long term loans. As a result, consolidated cash flow from financing activities was \$21,021 million (MUS\$ 32) less negative than the same period last year



V. Retail Indicators

1. Retail Business Revenues

Retail Revenues 1Q 2017 (CLP million) ^{2,3}

	1Q16	1Q17	Var %	Var Local Currency %
Chile				
Department Stores	330,972	354,880	7.2%	7.2%
Home Improvement	535,958	531,256	-0.9%	-0.9%
Supermarkets	169,054	171,565	1.5%	1.5%
Peru				
Department Stores	124,326	119,235	-4.1%	-2.0%
Home Improvement	159,856	152,268	-4.7%	-2.7%
Supermarkets	158,440	165,235	4.3%	6.4%
Colombia				
Department Stores	61,647	71,496	16.0%	11.5%
Home Improvement	182,613	192,959	5.7%	1.6%
Argentina				
Department Stores	62,740	61,994	-1.2%	15.4%
Home Improvement	43,079	41,689	-3.2%	13.8%
Brazil				
Home Improvement	35,748	41,567	16.3%	0.3%

Same Store Sales (SSS) Nominal Growth ^{2,3,4,5}

	1Q15	2Q15	3Q15	4Q15	2015	1Q16	2Q16	3Q16	4Q16	2016	1Q17
Chile											
Department Stores	4.0%	2.8%	7.9%	8.7%	6.1%	13.1%	9.6%	13.3%	6.6%	10.1%	8.1%
Home Improvement	7.9%	8.7%	5.7%	4.9%	6.8%	5.9%	5.0%	7.3%	-8.2%	1.1%	-1.7%
Supermarkets	6.2%	4.1%	2.1%	2.7%	3.6%	2.5%	-0.7%	2.3%	-2.4%	0.3%	-2.0%
Peru											
Department Stores	-1.3%	-2.7%	-0.2%	-0.7%	-1.2%	1.4%	1.4%	-2.0%	-5.0%	-1.6%	-5.9%
Home Improvement	0.4%	-1.9%	-4.3%	-5.5%	-3.4%	-3.8%	-4.4%	-5.3%	-5.6%	-4.8%	-2.6%
Supermarkets	3.2%	2.1%	0.2%	-1.9%	0.7%	0.3%	-2.9%	-1.7%	-1.4%	-1.5%	-1.8%
Colombia											
Department Stores	0.0%	-1.1%	7.1%	-6.0%	-1.0%	-1.8%	0.0%	-10.1%	6.9%	0.0%	-2.4%
Home Improvement	9.5%	11.8%	13.0%	12.0%	11.6%	8.5%	8.5%	1.0%	1.5%	4.6%	-2.7%
Argentina											
Department Stores	9.5%	11.3%	22.4%	20.3%	16.4%	24.2%	29.0%	16.9%	17.8%	21.5%	16.5%
Home Improvement	41.0%	37.9%	36.3%	36.4%	37.7%	29.1%	28.1%	22.2%	11.2%	21.3%	14.1%
Brazil											
Home Improvement	-0.3%	2.2%	-9.0%	-8.1%	-4.0%	-10.4%	-8.4%	-8.5%	-0.2%	-6.9%	-3.4%

² All variations are calculated in nominal terms and in the local currency of each country. In Argentina SSS are calculated net of IIBB (gross revenue tax).

³ SSS growth includes revenue generated from the online channel of each business unit.

⁴ SSS for Home Improvement Peru include Maestro, starting from 4Q15.

⁵ 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^{6,7,8}

	March 2016		March 2017	
	Sales Area (m ²)	Stores (#)	Sales Area (m ²)	Stores (#)
Chile				
Department Stores	309,777	45	305,628	44
Home Improvement	711,839	85	715,317	85
Supermarkets	195,807	57	207,276	61
Peru				
Department Stores	172,143	28	176,962	29
Home Improvement	368,258	56	371,714	56
Supermarkets	199,273	54	221,435	60
Colombia				
Department Stores	133,524	20	166,910	25
Home Improvement	341,115	35	366,282	38
Argentina				
Department Stores	57,370	11	57,370	11
Home Improvement	85,477	8	85,941	8
Brazil				
Home Improvement	141,203	57	146,959	55
Uruguay				
Home Improvement	19,509	2	24,849	3
Total Stores	2,735,294	458	2,846,644	475

3. Number of Shopping Malls and GLA of Real Estate Operators^{9,10}

	March 2016		March 2017	
	GLA (m ²)	Shopping Malls (#)	GLA (m ²)	Shopping Malls (#)
Chile				
Mall Plaza	1,204,000	15	1,217,000	15
Open Plaza	232,000	10	229,000	10
Peru				
AP/Mall Plaza Peru	276,000	4	160,000	2
Open Plaza	273,000	10	316,000	11
Colombia				
Mall Plaza	26,000	1	27,000	1
Total Real Estate	2,011,000	40	1,949,000	39

The company and its subsidiaries own 973,000 m² of additional GLA in free standing Falabella, Sodimac, Tottus, Maestro stores and other locations.

⁶ During 2016 S.A.C.I. Falabella's sales area measurement was updated, which explains differences with data published in March 2016.

⁷ 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.

⁸ Department stores Peru includes a Crate & Barrel store. In 1Q17 S.A.C.I. Falabella closed a Tottus store in Chile and a Dicico store in Brazil.

⁹ 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.

¹⁰ Mall Plaza Peru is the subsidiary created after the dissolution of Aventura Plaza in July 2016.



4. Sales per Square Meter of Retail Businesses

Sales per Square Meter – 1Q 2017 (CLP / m²)

	1Q16	1Q17	Var %	Var Local Currency %
Chile				
Department Stores	1,072,958	1,159,913	8.1%	8.1%
Home Improvement	752,405	744,496	-1.1%	-1.1%
Supermarkets	863,373	828,130	-4.1%	-4.1%
Peru				
Department Stores	740,540	673,787	-9.0%	-7.1%
Home Improvement	431,075	409,636	-5.0%	-2.9%
Supermarkets	814,036	749,882	-7.9%	-6.0%
Colombia				
Department Stores	470,756	435,450	-7.5%	-11.1%
Home Improvement	532,598	526,804	-1.1%	-4.9%
Argentina				
Department Stores	1,091,471	1,078,477	-1.2%	15.4%
Home Improvement	502,854	485,092	-3.5%	13.5%
Brazil				
Home Improvement	251,861	281,488	11.8%	-3.6%
TOTAL	688,271	675,877	-1.8%	



VI. Financial Business Units ¹¹

CMR Units: Income Statement

	Promotora CMR (Mn CLP)			CMR Argentina (Th ARS)		
	1Q16	1Q17	Var. %	1Q16	1Q17	Var. %
Interest income	85,660	99,710	16.4%	145,769	294,304	101.9%
Fee and commission income	12,625	15,863	25.6%	190,613	205,614	7.9%
Total Income	98,285	115,573	17.6%	336,382	499,918	48.6%
Interest expense	(8,214)	(9,935)	20.9%	(156,826)	(133,884)	-14.6%
Provision for loan losses	(20,733)	(29,241)	41.0%	(28,328)	(35,774)	26.3%
Other expenses	(26,808)	(22,127)	-17.5%	(59,924)	(76,143)	27.1%
Total expenses	(55,755)	(61,302)	9.9%	(245,079)	(245,800)	0.3%
Gross Profit	42,530	54,271	27.6%	91,303	254,118	178.3%
Administrative expenses	(10,353)	(10,871)	5.0%	(114,590)	(129,276)	12.8%
Operating Income	32,177	43,400	34.9%	(23,287)	124,841	NM
Net income	25,391	33,258	31.0%	(14,349)	105,796	NM
Efficiency ratio	16.4%	13.0%		95.8%	44.6%	

CMR Units: Balance Sheet Accounts and Operational Information ¹²

	Promotora CMR (Mn CLP)			CMR Argentina (Th ARS)		
	mar 16	mar 17	Var. %	mar 16	mar 17	Var. %
Selected Balance Sheet Accounts						
Loans from customers, gross	1,410,244	1,583,462	12.3%	3,108,840	3,627,240	16.7%
Allowance for loan losses	(52,826)	(65,211)	23.4%	(65,227)	(85,353)	30.9%
Loans from customers, net	1,357,418	1,518,251	11.8%	3,043,613	3,541,886	16.4%
Total Assets	1,412,278	1,581,946	12.0%	3,214,067	3,789,624	17.9%
Total Liabilities	912,959	1,016,837	11.4%	3,018,761	3,289,968	9.0%
Total Equity	499,319	565,109	13.2%	195,306	499,656	155.8%
Total Liabilities + Total Equity	1,412,278	1,581,946	12.0%	3,214,067	3,789,624	17.9%
Operational information						
NPL (+90 days)	30,848	39,328	27.5%	27,987	37,238	33.1%
Open Accounts (with balance)	2,357,932	2,388,008	1.3%	517,948	518,533	0.1%
Average Loan	598,085	663,089	10.9%	6,002	6,995	16.5%
Duration (months)	5.0	5.1	0.2%	2.9	2.7	-7.8%
Ratios						
NPL / Loans from customers, gross	2.2%	2.5%		0.9%	1.0%	
Allowance for loan losses/NPL	1.7	1.7		2.3	2.3	
ROAE	24.3%	29.7%		-4.9%	49.2%	
ROAA	8.6%	10.5%		-0.4%	4.5%	

¹¹ See definitions at the end of the report.¹² New calculation of the Duration since 1Q17, from a lineal methodology to Macaulay

Banco Falabella: Income Statement

	Banco Falabella Chile (Mn CLP)			Banco Falabella Perú (Th SOL)			Banco Falabella Colombia (Mn COP)		
	1Q16	1Q17	Var. %	1Q16	1Q17	Var. %	1Q16	1Q17	Var. %
Interest income and adjustments	64,375	69,815	8.5%	273,854	279,258	2.0%	95,416	124,580	30.6%
Interest expense and adjustments	(18,363)	(16,446)	-10.4%	(40,814)	(33,704)	-17.4%	(22,146)	(31,754)	43.4%
Net interest income and adjustments	46,012	53,369	16.0%	233,040	245,554	5.4%	73,270	92,825	26.7%
Fee and commission income	8,143	8,863	8.8%	30,072	32,526	8.2%	40,549	48,658	20.0%
Fee and commission expense	(4,147)	(4,355)	5.0%	(28,960)	(47,999)	65.7%	(8,936)	(9,515)	6.5%
Net fee and commission income	3,996	4,508	12.8%	1,112	(15,473)	NM	31,613	39,143	23.8%
Net income (expense) from financial operations	2,283	2,711	18.7%	307	1,653	438.7%	866	265	-69.4%
Other operating net income	244	96	-60.7%	9,015	8,827	-2.1%	1,809	1,138	-37.1%
Net operating profit before provisions for loan losses	52,535	60,684	15.5%	243,474	240,561	-1.2%	107,558	133,372	24.0%
Provision for loan losses	(11,319)	(16,612)	46.8%	(77,469)	(88,090)	13.7%	(24,299)	(38,497)	58.4%
Operating expenses	(24,660)	(28,028)	13.7%	(120,675)	(122,995)	1.9%	(60,858)	(71,525)	17.5%
Operating Income	16,556	16,044	-3.1%	45,330	29,476	-35.0%	22,402	23,349	4.2%
Net Income	13,516	12,256	-9.3%	31,918	20,868	-34.6%	11,473	12,923	12.6%
Efficiency ratio	46.9%	46.2%		49.6%	51.1%		56.6%	53.6%	

Banco Falabella: Balance Sheet Accounts and Operational Information ¹³

	Banco Falabella Chile (Mn CLP)			Banco Falabella Perú (Th SOL)			Banco Falabella Colombia (Mn COP)		
	mar 16	mar 17	Var. %	mar 16	mar 17	Var. %	mar 16	mar 17	Var. %
Selected Balance Sheet Accounts									
Cash and deposits in banks	169,987	97,738	-42.5%	830,786	597,711	-28.1%	56,400	105,408	86.9%
Trading investments	494,602	701,224	41.8%	290,112	367,467	26.7%	98,645	105,432	6.9%
Loans from customers, gross	1,450,058	1,574,339	8.6%	3,901,114	3,826,320	-1.9%	1,735,512	1,945,509	12.1%
Allowance for loan losses	(67,868)	(78,521)	15.7%	(299,114)	(379,880)	27.0%	(102,866)	(148,591)	44.5%
Loans from customers, net	1,382,190	1,495,818	8.2%	3,601,999	3,446,440	-4.3%	1,632,646	1,796,918	10.1%
Total Assets	2,214,785	2,462,549	11.2%	4,959,153	4,682,954	-5.6%	1,935,193	2,164,255	11.8%
Deposits	287,235	351,969	22.5%	499,388	543,833	8.9%	129,438	222,843	72.2%
Time deposits	1,165,483	1,358,712	16.6%	2,755,645	2,215,028	-19.6%	997,581	1,206,715	21.0%
Total deposits	1,452,718	1,710,681	17.8%	3,255,033	2,758,860	-15.2%	1,127,019	1,429,557	26.8%
Other financial liabilities	400,610	381,470	-4.8%	271,988	136,446	-49.8%	264,461	185,601	-29.8%
Total Liabilities	2,012,939	2,238,576	11.2%	4,265,527	3,953,852	-7.3%	1,598,600	1,775,191	11.0%
Total Equity	201,846	223,973	11.0%	693,627	729,102	5.1%	336,593	389,064	15.6%
Total Liabilities + Total Equity	2,214,785	2,462,549	11.2%	4,959,153	4,682,954	-5.6%	1,935,193	2,164,255	11.8%
Operational information									
NPL (+90 days)	51,158	57,041	11.5%	89,109	106,028	19.0%	37,318	69,010	84.9%
Current, Saving and checking Accounts	911,091	952,724	4.6%	920,251	1,002,908	9.0%	987,242	1,330,644	34.8%
Open Accounts (with balance)	51,312	60,187	17.3%	1,027,854	1,021,888	-0.6%	915,148	1,024,855	12.0%
Average Loan	NM	NM	NM	3,795,397	3,744,363	-1.3%	1,896,428	1,898,326	0.1%
Duration (months)	15.9	15.5	-2.5%	10.6	9.7	-8.8%	8.8	8.8	0.0%
ATMs	380	382	0.5%	159	176	10.7%	48	60	25.0%
Branches	98	101	3.1%	95	95	0.0%	57	67	17.5%
Ratios									
NPL / Loans from customers, gross	3.5%	3.6%		2.3%	2.8%		2.2%	3.5%	
Allowance for loan losses/NPL	1.3	1.4		3.4	3.6		2.8	2.2	
Basilea	15.7%	15.4%		14.7%	16.2%		13.0%	14.2%	
ROAE	30.1%	26.0%		19.2%	11.2%		16.7%	14.6%	
ROAA	2.7%	2.3%		2.7%	1.6%		3.2%	2.5%	

¹³New calculation of the Duration since 1Q17, from a lineal methodology to Macaulay.

Percentage of Sales with CMR Card¹⁴

	1Q16	1H16	9M16	2016	1Q17
Chile - Falabella	41.2%	44.6%	45.1%	45.3%	42.0%
Chile - Sodimac	26.8%	27.2%	27.1%	27.5%	26.7%
Chile - Tottus	18.7%	19.4%	19.8%	20.0%	18.6%
Peru - Saga, Sodimac & Tottus	36.6%	38.5%	38.7%	38.8%	35.2%
Colombia - Falabella & Sodimac	20.3%	23.3%	23.2%	24.2%	20.4%
Argentina - Falabella & Sodimac	25.2%	26.1%	25.6%	25.4%	23.0%

¹⁴ 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,¹⁵ Average Payment Period and Inventory Turnover¹⁶

Chile

	Dep. Stores		Home Improv.		Supermarkets		Promotora CMR		Plaza S.A.	
	1Q16	1Q17	1Q16	1Q17	1Q16	1Q17	1Q16	1Q17	1Q16	1Q17
Average Collection Period	7.6	10.3	21.4	21.0	2.0	2.0	117.0	114.0	28.0	25.0
Average Payment Period	46.5	46.6	45.5	43.3	42.1	45.3	NM	NM	NM	NM
Inventory Turnover (days)	90.3	93.4	66.1	74.4	45.1	48.2	NM	NM	NM	NM

International Operations¹⁷

	Peru		Argentina		Colombia		Brazil	
	1Q16	1Q17	1Q16	1Q17	1Q16	1Q17	1Q16	1Q17
Average Collection Period	2.6	3.0	12.2	12.7	9.3	9.5	22.1	26.8
Average Payment Period	42.8	51.2	65.6	70.7	64.4	69.1	126.6	105.4
Inventory Turnover (day)	95.0	95.0	136.4	126.4	132.0	124.4	199.4	181.8

¹⁵ Collection period does not include accounts receivable of the retail businesses (department stores, home improvement and supermarkets) with Promotora CMR S.A.

¹⁶ Average Collection Period (does not include Promotora CMR and Plaza): Current trade and other receivables *90/ Revenues

Average Collection Period for Promotora CMR: Duration (lineal) * 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

¹⁷ Metrics include only retail operations.

VIII. Operating Results by Business Unit

Operating Results 1Q 2017 (CLP million)¹⁸

Chile

	Department Stores			Home Improvement			Supermarkets		
	1Q16	1Q17	(% bps)	1Q16	1Q17	(% bps)	1Q16	1Q17	(% bps)
Revenues	330,972	354,880	7.2%	535,958	531,256	-0.9%	169,054	171,565	1.5%
Gross Profit	100,433	116,308	15.8%	159,313	159,764	0.3%	40,566	42,255	4.2%
Gross Margin	30.3%	32.8%	243	29.7%	30.1%	35	24.0%	24.6%	63
SG&A	(94,390)	(99,168)	5.1%	(118,386)	(125,096)	5.7%	(39,632)	(40,231)	1.5%
SG&A/ Revenues	-28.5%	-27.9%	57	-22.1%	-23.5%	-146	-23.4%	-23.4%	-1
Operating Profit	6,043	17,140	183.6%	40,926	34,668	-15.3%	935	2,023	116.4%
Operating Margin	1.8%	4.8%	300	7.6%	6.5%	-111	0.6%	1.2%	63
EBITDA	12,833	24,651	92.1%	50,287	44,978	-10.6%	5,095	6,494	27.5%
EBITDA Margin	3.9%	6.9%	307	9.4%	8.5%	-92	3.0%	3.8%	77

	Promotora CMR			Banco Falabella Chile		
	1Q16	1Q17	(% bps)	1Q16	1Q17	(% bps)
Revenues	98,285	115,573	17.6%	72,763	78,773	8.3%
Gross Profit	42,530	54,271	27.6%	41,216	44,072	6.9%
Gross Margin	43.3%	47.0%	369	56.6%	55.9%	-70
SG&A	(10,353)	(10,871)	5.0%	(24,660)	(28,028)	13.7%
SG&A/ Revenues	-10.5%	-9.4%	113	-33.9%	-35.6%	-169
Operating Profit	32,177	43,401	34.9%	16,556	16,044	-3.1%
Operating Margin	32.7%	37.6%	481	22.8%	20.4%	-239
EBITDA	32,177	43,401	34.9%	18,598	18,457	-0.8%
EBITDA Margin	32.7%	37.6%	481	25.6%	23.4%	-213

International Operations

	Peru			Colombia			Argentina			Brazil		
	1Q16	1Q17	(% bps)	1Q16	1Q17	(% bps)	1Q16	1Q17	(% bps)	1Q17	1Q17	(% bps)
Revenues	512,046	512,369	0.1%	96,113	116,866	21.6%	121,070	123,775	2.2%	35,748	41,567	16.3%
Gross Profit	155,868	158,198	1.5%	31,883	45,559	42.9%	56,291	58,959	4.7%	11,658	13,189	13.1%
Gross Margin	30.4%	30.9%	44	33.2%	39.0%	581	46.5%	47.6%	114	32.6%	31.7%	-88
SG&A	(124,901)	(123,996)	-0.7%	(37,433)	(44,754)	19.6%	(52,457)	(54,920)	4.7%	(15,736)	(17,915)	13.8%
SG&A/ Revenues	-24.4%	-24.2%	19	-38.9%	-38.3%	65	-43.3%	-44.4%	-104	-44.0%	-43.1%	92
Operating Profit	30,967	34,203	10.4%	(5,550)	805	-114.5%	3,834	4,040	5.4%	(4,077)	(4,726)	15.9%
Operating Margin	6.0%	6.7%	63	-5.8%	0.7%	646	3.2%	3.3%	10	-11.4%	-11.4%	4
EBITDA	46,854	51,995	11.0%	(2,004)	5,498	-374.3%	5,143	5,245	2.0%	(3,153)	(3,571)	13.3%
EBITDA Margin	9.2%	10.1%	100	-2.1%	4.7%	679	4.2%	4.2%	-1	-8.8%	-8.6%	23

Others

	Plaza S.A.			Other, elimination & anulment			S.A.C.I. Falabella		
	1Q16	1Q17	(% bps)	1Q16	1Q17	(% bps)	1Q16	1Q17	(% bps)
Revenues	63,673	66,103	3.8%	18,060	19,074	5.6%	2,053,743	2,131,801	3.8%
Gross Profit	49,272	51,657	4.8%	24,266	19,656	-19.0%	713,297	763,888	7.1%
Gross Margin	77.4%	78.1%	76	134.4%	103.1%	NM	34.7%	35.8%	110
SG&A	(5,859)	(5,960)	1.7%	2,173	3,073	NM	(521,635)	(547,865)	5.0%
SG&A/ Revenues	-9.2%	-9.0%	19	12.0%	16.1%	408	-25.4%	-25.7%	-30
Operating Profit	43,413	45,697	5.3%	26,439	22,730	-14.0%	191,662	216,023	12.7%
Operating Margin	68.2%	69.1%	95	146.4%	119.2%	NM	9.3%	10.1%	80
EBITDA	53,197	54,852	3.1%	35,179	32,794	-6.8%	254,206	284,793	12.0%
EBITDA Margin	83.5%	83.0%	-57	194.8%	171.9%	NM	12.4%	13.4%	98

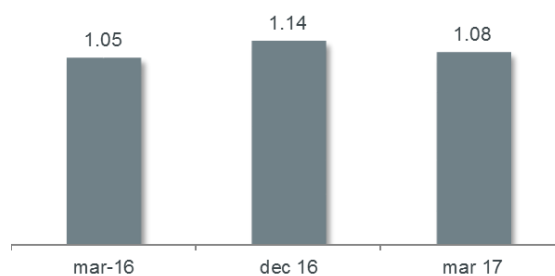
¹⁸ International Operating Results includes banking business in Peru and Colombia, credit card business in Argentina and real estate business in Peru, as well as the corresponding retail businesses.

IX. Financial Structure

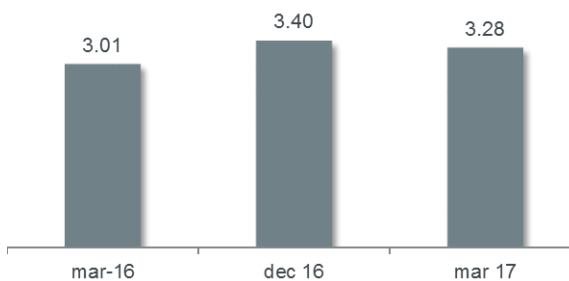
Total liabilities as of March 31th 2017 reached \$8,875,071 million (US\$ 13,367 mn). In turn, the leverage of the non-banking business¹⁹ amounts to 1.08. Considering the financial debt²⁰ of the non-banking business, the ratio of Net Financial Debt / EBITDA was 3.28.

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

Leverage Non-Banking Operations



Net Financial Debt / EBITDA Non-Banking²¹

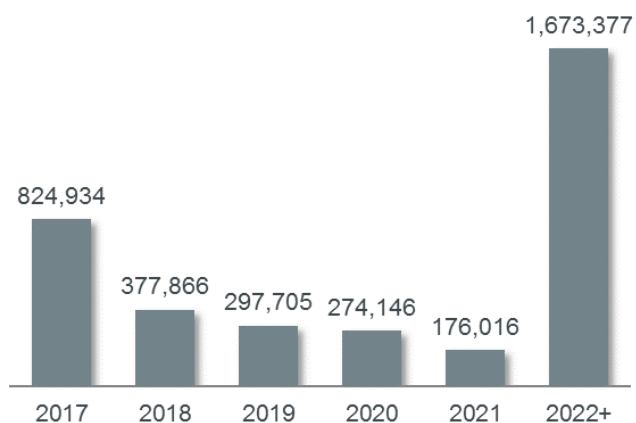


¹⁹ Non-Banking Operations Leverage = Total Non-Banking Operations Liabilities divided by Total Equity.

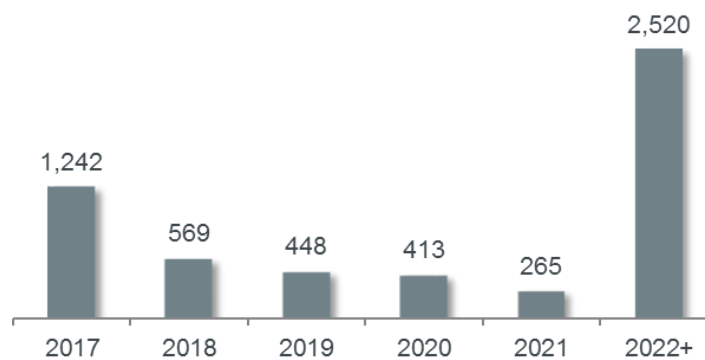
²⁰ Non-Banking Business Financial Debt = total Current non-Bank Operations Liabilities + Total Non-current Non-Banking Operations Liabilities.

²¹ 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 Profile²²**Debt Maturity Profile (CLP million)**

Total Consolidated Financial Debt (excluding banking operations): CLP 3,624,044 million.

Debt Maturity Profile (US\$ million)²³

Total Consolidated Financial Debt (excluding banking operations): US\$ 5,458 million.

²² 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.

²³ 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 ²⁴

	For the year ended as of 31-Mar-17	For the year ended as of 31-Mar-16
	TH CLP	TH CLP
Statement of Income		
Non-banking Business		
Revenue from continuing operations	1.952.033.113	1.889.596.225
Cost of sales	(1.281.071.743)	(1.266.353.790)
Gross Profit	670.961.370	623.242.435
Distribution costs	(21.251.850)	(20.361.824)
Administrative expenses	(432.963.395)	(412.196.863)
Other expenses, by function	(27.598.993)	(29.322.073)
Other gains (losses)	(5.889.723)	1.161.901
Financial income	3.775.812	3.935.739
Financial expenses	(51.801.873)	(54.381.979)
Equity interest in profits (losses) of associates accounted for using the equity method	4.371.960	5.592.977
Foreign currency translation	2.316.799	16.605
Income from indexation units	(4.283.507)	(6.285.019)
Profit (Loss), before Taxes	137.636.600	111.401.899
Income tax expense	(29.460.290)	(20.399.589)
Profit (loss) from Non-banking Business	108.176.310	91.002.310
Banking Services (Presentation)		
Interest and indexation revenue	138.497.885	125.539.159
Interest and indexation expenses	(38.537.457)	(35.992.828)
Net Income from Interest and Indexation	99.960.428	89.546.331
Fee revenue	41.599.490	38.535.590
Fee expenses	(9.574.697)	(8.911.877)
Net Fee Income	32.024.793	29.623.713
Net income from financial operations	4.296.759	6.021.910
Net exchange gains (losses)	(158.082)	(2.696.743)
Other operating income	(329.383)	72.427
Provision for loan losses	(42.867.990)	(32.512.801)
Total Operating Income, net	92.926.525	90.054.837
Employee remunerations and expenses	(25.215.548)	(23.376.559)
Administrative expenses	(33.447.033)	(29.980.278)
Depreciation and amortization	(4.544.656)	(4.025.764)
Other operating expenses	(2.843.041)	(2.371.372)
Total Operating Expenses	(66.050.278)	(59.753.973)
Operating Income	26.876.247	30.300.864
Income from equity method investments in companies	63.506	115.348
Income before Income Taxes	26.939.753	30.416.212
Income tax expense	(7.830.935)	(8.105.302)
Profit (loss) from Banking Business	19.108.818	22.310.910
Profit (Loss)	127.285.128	113.313.220
Profit (loss), Attributable to:		
Owners of the parent	115.664.296	103.502.514
Non-controlling interests	11.620.832	9.810.706
Profit (Loss)	127.285.128	113.313.220
Earnings per share		
Basic earnings per share		
Basic earnings (loss) per share from continuing operations	0,0475	0,0425
Basic Earnings (Loss) per Share	0,0475	0,0425
Diluted Earnings per Share		
From continuing operations	0,0475	0,0425
Diluted Earnings (Loss) per Share	0,0475	0,0425

²⁴ Banking Services does not include CMR Chile nor CMR Argentina.

	31-mar-17	31-dec-2016
	TH CLP	TH CLP
Assets		
Non-banking Businesses		
Current assets		
Cash and cash equivalents	194.491.576	201.319.634
Other financial assets	17.740.536	27.732.890
Other non-financial assets	114.947.353	97.553.041
Trade and other accounts receivable	1.754.144.069	1.798.336.795
Accounts receivable from related parties	15.969.673	6.135.088
Inventory	1.187.263.134	1.207.253.018
Tax assets	94.399.588	75.906.443
Total of current assets different from those assets or disposal groups classified as held for sale or as held for distribution to owners	3.378.955.929	3.414.236.909
Non-current assets or disposal groups classified as held for sale or as held for distribution to owners	3.122.099	3.122.099
Non-current assets or disposal groups classified as held for sale or as held for distribution to owners	3.122.099	3.122.099
Total Current Assets	3.382.078.028	3.417.359.008
Non-current Assets		
Other financial assets	62.879.342	73.357.881
Other non-financial assets	60.708.418	57.510.726
Accounts receivable	243.648.923	240.706.433
Investments accounted for using the equity method	113.562.879	109.179.061
Intangible assets other than goodwill	272.795.381	270.110.558
Goodwill	525.873.907	519.353.212
Property, plant and equipment	2.559.963.446	2.500.304.700
Investment properties	2.845.228.226	2.822.793.360
Deferred tax assets	147.336.944	131.418.254
Total Non-current Assets	6.831.997.466	6.724.734.185
Total Assets – Non-banking Business	10.214.075.494	10.142.093.193
Banking Services Assets (Presentation)		
Cash and bank deposits	245.497.620	303.391.378
Transactions with settlement in progress	83.639.475	63.769.129
Financial assets held for trading	111.869.337	81.622.210
Financial derivative contracts	7.115.674	9.870.857
Loans and accounts receivable from clients	2.626.099.936	2.621.812.969
Available for sale instruments	681.084.110	566.071.349
Investments in companies	3.208.393	3.063.456
Intangibles	52.296.998	49.631.037
Property, plant and equipment	33.228.832	33.666.751
Current taxes	4.809.746	3.575.649
Deferred taxes	18.724.964	18.966.013
Other assets	22.276.705	27.743.273
Total Bank Services Assets	3.889.851.790	3.783.184.071
Total Assets	14.103.927.284	13.925.277.264



	31-mar-17	31-dec-2016
	TH CLP	TH CLP
Net Equity and Liabilities		
Non-banking Business		
Current Liabilities		
Other financial liabilities	934.131.816	1.072.094.075
Trade and other accounts payable	987.946.690	1.047.625.370
Accounts payable to related parties	8.225.290	6.486.465
Other current provisions	14.109.848	13.230.417
Current tax liabilities	38.894.333	37.282.432
Employee benefits provisions	119.513.122	130.056.422
Other non-financial liabilities	117.722.040	149.922.113
Total Current Liabilities	2.220.543.139	2.456.697.294
Non-current Liabilities		
Other financial liabilities	2.785.951.386	2.674.994.491
Other liabilities	1.232.800	1.231.300
Other long-term provisions	13.136.213	12.875.808
Deferred tax liabilities	569.787.234	563.394.385
Employee benefits provision	32.495.445	29.144.287
Other non-financial liabilities	42.940.260	41.461.450
Total Non-current Liabilities	3.445.543.338	3.323.101.721
Total Non-banking Business Liabilities	5.666.086.477	5.779.799.015
Banking Services Liabilities (Presentation)		
Deposits and other demand liabilities	426.986.178	427.700.255
Transactions with settlement in progress	81.197.287	57.822.039
Time deposits and other term deposits	2.169.254.966	2.016.697.359
Financial derivative contracts	8.109.826	9.348.660
Due to banks	70.555.946	116.723.248
Debt instruments issued	258.607.314	263.987.879
Other financial obligations	144.063.414	145.507.995
Current taxes	122.918	1.214.607
Provisions	2.473.282	2.342.153
Other liabilities	47.613.355	55.776.934
Total Banking Services Liabilities	3.208.984.486	3.097.121.129
Total Liabilities	8.875.070.963	8.876.920.144
Net Equity		
Issued capital	533.409.643	533.409.643
Retained earnings	3.987.997.828	3.872.333.532
Share premium	93.482.329	93.482.329
Own shares in portfolio	(35.125.632)	(35.125.632)
Other reserves	(235.001.902)	(283.783.440)
Equity attributable to owners of the parent	4.344.762.266	4.180.316.432
Non-controlling interests	884.094.055	868.040.688
Total Equity	5.228.856.321	5.048.357.120
Total Equity and Liabilities	14.103.927.284	13.925.277.264



	31-mar-2017	31-mar-2016
	TH\$	TH\$
Statement of cash flows		
Cash flows provided by (used in) operating activities		
Non-banking Business (Presentation)		
Classes of proceeds from operating activities		
Proceeds from sale of goods and providing services	2.380.690.369	2.345.464.487
Classes of payments		
Payment to suppliers for supplying goods and services	(1.740.271.983)	(1.698.175.300)
Payments to and on account of employees	(282.746.780)	(264.730.405)
Income taxes refunded (paid)	(53.313.864)	(37.592.434)
Other cash inflows (outflow s)	(130.545.490)	(144.631.709)
Subtotal net cash flows provided by Non-banking Business operating activities	173.812.252	200.334.639
Banking Services (Presentation)		
Consolidated net income (loss) for the period	19.108.818	22.310.910
Charges (credits) to income that do not involve cash movements:		
Depreciation and amortization	4.544.656	4.025.764
Credit risk provision	48.980.279	38.801.794
Profit losses from equity method investments	(63.506)	(115.348)
Other charges (credits) that do not involve significant cash flow movements	7.830.935	8.105.302
Net change in interest, indexations and fees accrued on assets and liabilities	(131.753)	7.768.909
Changes in assets and liabilities affecting cash flow:		
Net increase in loans and accounts receivable from clients	(54.077.799)	(72.624.152)
Net decrease in instruments held for trading	2.434.583	(15.254.522)
Increase in deposits and other demand obligations	(714.077)	10.428.593
Increase in deposits and other time deposits	155.281.792	35.748.513
Increase in obligations with banks	(46.167.302)	(1.198.326)
Other use of cash	(6.434.277)	(22.739.327)
Subtotal net cash flows provided by (used in) Banking Services operating activities	130.592.349	15.258.110
Net cash flows provided by operating activities	304.404.601	215.592.749
Cash flows provided by (used in) investing activities		
Non-banking Business (Presentation)		
Proceeds from disposal of property, plant and equipment	818.273	2.019.836
Additions to property, plant and equipment	(80.487.709)	(63.617.438)
Additions to intangible assets	(8.465.539)	(7.480.426)
Additions to other long-term assets	(33.285.574)	(22.939.734)
Dividends received	4.337	4.328
Interest received	1.090.911	1.802.665
Other cash inflows (outflow s)	2.387.870	6.559.639
Subtotal net cash flows used in investing activities in the Non-banking Business	(117.937.431)	(83.651.130)
Banking Services		
Net (Increase) decrease in investment securities available for sale	(114.622.365)	(25.479.710)
Additions to property, plant and equipment	(5.626.080)	(5.234.094)
Other sources of cash	665.027	611.818
Subtotal net cash flows provided by (used in) Banking Services investing activities	(119.583.418)	(30.101.986)
Net cash flows provided by (used in) investing activities	(237.520.849)	(113.753.116)
Cash flows provided by (used in) financing activities		
Non-banking Business		
Proceeds from issuance of shares	-	-
Payments to acquire own shares	-	(10.036.616)
Proceeds from long-term loans	9.667.360	436.000
Proceeds from short-term loans	552.302.806	552.247.767
Total proceeds from loans	561.970.166	552.683.767
Loans to related parties		
Payment of loans	(617.718.496)	(628.641.913)
Payment of financial lease liabilities	(6.088.291)	(6.271.609)
Dividends paid	(1.601.760)	(1.643.788)
Interest paid	(39.692.322)	(39.871.028)
Other cash inflows (outflow s)	(330.726)	68.371
Subtotal net cash flows provided by (used in) Non-banking Business financing activities	(105.897.957)	(130.617.426)
Banking Services (Presentation)		
(Redemption) Letters of credit issuance	(1.543.634)	(2.894.681)
Bond payments and other long term loans	(5.380.565)	(1.588.011)
Other	1.428.138	2.685.325
Subtotal net cash flows provided by (used in) Banking Services financing activities	(5.496.061)	(1.797.367)
Net cash flows used in financing activities	(111.394.018)	(132.414.793)
Net increase in cash and cash equivalents, before the effect of changes in the exchange rate	(44.510.266)	(30.575.160)
Effects of changes in the exchange rate on cash and cash equivalents		
Effects of changes in the exchange rate on cash and cash equivalents	7.448.909	(12.310.035)
Net increase (decrease) in cash and cash equivalents	(37.061.357)	(42.885.195)
Cash and cash equivalents at beginning of period	575.992.741	661.059.154
Cash and cash equivalents at end of period	538.931.384	618.173.959



Cash Flow – Chilean Operations (CLP million)

March 2017	Department Stores	Home Improvement	Supermarkets	Promotora CMR	Banco Falabella	Plaza S.A.
Cash flow from operating activities	(26,953)	47,444	2,572	14,649	107,532	49,673
Cash flow from investing activities	(20,876)	(14,444)	(4,789)	0	(106,937)	(29,460)
Cash flow from financing activities	27,728	(36,541)	(1,721)	(17,669)	(3,700)	(10,404)
Increase (decrease) in cash and cash equivalents	(20,102)	(3,541)	(3,938)	(3,019)	(3,105)	9,809
Impact of exchange rate differences on cash and cash equivalents	(206)	155	(2)	42	0	757
Cash and cash equivalents at the beginning of the period	45,427	16,786	10,134	24,301	199,467	21,736
Cash and cash equivalents at the end of the period	25,119	13,401	6,194	21,323	196,362	32,302

March 2016	Department Stores	Home Improvement	Supermarkets	Promotora CMR	Banco Falabella	Plaza S.A.
Cash flow from operating activities	139,290	73,166	7,770	(97,514)	(15,983)	51,461
Cash flow from investing activities	(51,341)	(12,481)	(8,549)	0	(21,787)	(6,454)
Cash flow from financing activities	(91,233)	(60,219)	(4,512)	96,916	(4,035)	(15,808)
Increase (decrease) in cash and cash equivalents	(3,285)	466	(5,291)	(598)	(41,805)	29,199
Impact of exchange rate differences on cash and cash equivalents	(165)	(379)	(14)	41	0	(266)
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	32,772	21,634	5,298	12,736	244,149	61,109

Cash Flow – International Operations (CLP million)

March 2017	Peru	Colombia	Argentina	Brazil
Cash flow from operating activities	21,705	(26,726)	664	4,124
Cash flow from investing activities	(31,534)	(7,159)	(912)	(12,279)
Cash flow from financing activities	(15,016)	27,993	388	9,649
Increase (decrease) in cash and cash equivalents	(24,844)	(5,892)	140	1,494
Impact of exchange rate differences on cash and cash equivalents	5,101	2,095	121	407
Cash and cash equivalents at the beginning of the period	203,524	33,809	4,418	2,196
Cash and cash equivalents at the end of the period	183,781	30,012	4,678	4,097

March 2016	Peru	Colombia	Argentina	Brazil
Cash flow from operating activities	27,963	4,642	(25,316)	1,948
Cash flow from investing activities	(19,047)	(11,200)	(1,498)	(3,469)
Cash flow from financing activities	(6,072)	(2,191)	24,479	238
Increase (decrease) in cash and cash equivalents	2,844	(8,748)	(2,335)	(1,283)
Impact of exchange rate differences on cash and cash equivalents	(6,712)	(3,856)	(919)	32
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	207,355	20,695	2,691	734

Financial Business Units: Definitions

Selected Balance Sheet Accounts	
Demand deposits	Deposits in current and saving accounts, and other demand deposits.
Other financial liabilities	
Income Statement	
Loan-loss provision expense	Provision expense for loan-losses, plus write-offs net of recoveries
Operational information	
NPL (+90 days)	Loans with +90 days delinquency
Passive accounts	Non-interest bearing accounts, such as checking and saving accounts, with a balance.
Credit cards with a balance	Number of credit cards that have a balance, have been used in the last 24 months, and have their payments up to date or have a delinquency of 90 days or less.
Average Loan	Gross customer loans divided by total credit cards with a balance
Duration	Macaulay Duration
ATMs	Number of ATMs
Ratios	
Basilea	Effective equity over risk-weighted assets, as defined by each country's financial services regulator.
Efficiency ratio	Operating expense over operating revenue.
ROAE Banco Falabella	Return on Average Equity: is an adjusted version of ROE, in which the denominator is the average of shareholders' equity on the last 13 months.
ROAA Banco Falabella	Return on Average Assets: is an adjusted version of ROA, in which the denominator is the average of total assets on the last 13 months.
ROAE CMR	Return on Average Equity: is an adjusted version of ROE, in which the denominator is the average of shareholders' equity on the last 5 quarters.
ROAA CMR	Return on Average Assets: is an adjusted version of ROA, in which the denominator is the average of total assets on the last 5 quarters.





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