

S.A.C.I. Falabella

Earnings Report
4th Quarter 2017



falabella

 **SODIMAC**

 **TOTTUS**

CMR
Falabella

 **Banco**
Falabella

 **mallplaza**

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PLAZA

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Notes:

- All dollar figures are calculated based on the observed exchange rate as of January 2nd 2018: 614.75 \$/US\$.
- Symbols for quarters: 1Q, 2Q, 3Q y 4Q.
- Symbols for other periods of the year: 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 fourth quarter of 2017, S.A.C.I. Falabella reported consolidated revenue of \$2,513,060 million (US\$ 4,088 mn), 6.0% more than the same period last year, while sales area grew by 3.7% (17 new store openings, and two closings) during the last 12 months.. Adjusting for currency variation (by using for 2017 the same exchange rate than in 2016), S.A.C.I. Falabella's consolidated revenue growth would have been 7.9%.

The online channel of our retail businesses posted 37.1% growth in revenue when compared to 4Q16, reaching \$162,826 (US\$ 265 mn) and \$472,534 (US\$ 769 mn) for 12M17. During the quarter, this channel contributed with 7.8% of the total retail revenue, which includes income from our retail formats: department stores, home improvement and supermarkets, in all the countries where we operate.

Consolidated growth in revenue was mainly the result of a 14.9% revenue increase in home improvement in Chile, 2.5% in department stores in Chile, 5.9% in supermarkets in Chile, and the contribution from the operations in Argentina. The latter driven by higher SSS in department stores. In Chile, the expansion was also explained by Promotora CMR, with revenue increasing 9.1%, driven by growth in its loan-book; and by a 13.9% growth in Mallplaza's revenue. Consolidated revenue was partially offset by the depreciation of the PEN, BRL, COP and ARS against CLP.

The consolidated loan portfolio, as of December 31st, 2017, reached \$4,686,958 million (US\$ 7,624 mn), a 3.7% increase compared with the same period last year, explained by growth in Promotora CMR, Banco Falabella Chile, CMR Argentina and Banco Falabella Colombia, and partially offset by the performance of Banco Falabella Peru. Promotora CMR's loan portfolio was 9.5% higher than on December 2016, as the card continue gaining principality. Banco Falabella Chile's portfolio growth totaled 6.3% during the period.

Gross profit for the quarter amounted to \$938,555 million (US\$ 1,527 mn), a 6.6% year over year (YoY) increase, while gross margin showed a slight expansion from the one observed during the same period last year. Growth was driven by home improvement in Chile (16.6% growth YoY), as a result of revenue expansion of 14.9%, and gross margin expansion due to better conditions with suppliers; Mallplaza (18.1% growth YoY) due to higher GLA; and Banco Falabella Chile (13.1% growth YoY) explained by lower funding costs due to the combination of lower rates and an optimization of the financing mix.

During the quarter progress was made in the development of the omnichannel strategy, the international consolidation and projects aimed at increasing efficiency. Eight new stores were opened (four in Peru, three in Chile and one in Brazil) and two Dicico were converted into Dicico-multi; 40 customer service modules were reached in Soriana stores in Mexico, the reach of private and exclusive brands was extended with the opening of seven specialist stores in Chile, the omnichannel project in CMR Argentina was concluded and the department store logistics capabilities were broaden in Colombia, Argentina and Chile with the implementation of a hub center in Santiago, a transfer center in Medellin and expanded warehouse capacity in Buenos Aires.

The operating margin was 12.4%, in line with the same period of the previous year, reaching an operating income of \$311,127 million (US\$ 506 mn), 4.9% YoY. Home improvement in Chile, Mallplaza and Banco Falabella Chile explained most of the growth.

The consolidated non-operating net expense presented a loss of \$43,611 million (US\$ 71 mn), 111.8% more than 4Q16. This is mainly explained by a non-recurring income in 4Q16 associated with the sale of assets for \$23,174 million (US\$ 38 mn); and a non-recurring loss in 4Q17 of \$2,929 million (US\$ 5 mn) explained by the write-off of the Mallplaza Baron project. Without these effects, the non-operating expenses were 7.0% lower than in the same quarter of 2016. Net financial cost increased 4.5% YoY and exchange rate differences registered a loss of \$1,544 million (US\$ 3 mn) against a gain of \$143 million (US\$ 233) in 4Q16.

Consolidated net income in 4Q17 totaled \$180,637 million (US\$ 294 n), a 1.7% YoY increase. Without the non-recurring effects that affected the non-operating income, profit grew 14.0%. Net income does not include gains or losses from asset revaluation of investment properties, as the company adopted the historic cost method.

II. Consolidated Financial Results, as of December 2017

Consolidated Income Statement 4Q 2017 (CLP million) ^{1, 2}

	4Q16	% Rev.	4Q17	% Rev.	Var %
Revenues of Non-Banking Operations	2,190,361		2,333,456		6.5%
Revenues of Banking Operations	180,063		179,605		-0.3%
Total Revenues	2,370,424	100.0%	2,513,060	100.0%	6.0%
COGS of Non-Banking Operations	(1,401,123)	-64.0%	(1,493,006)	-64.0%	6.6%
COGS of Banking Operations	(89,200)	-49.5%	(81,499)	-45.4%	-8.6%
Gross Profit	880,101	37.1%	938,555	37.3%	6.6%
SG&A Expenses	(583,488)	-24.6%	(627,428)	-25.0%	7.5%
Operational Income	296,614	12.5%	311,127	12.4%	4.9%
Depreciation + Amortization	68,382	2.9%	75,212	3.0%	10.0%
EBITDA	364,996	15.4%	386,340	15.4%	5.8%
Other Income / (Expenses)	23,128		4,334		-81.3%
Net Financial Income / (Cost)	(49,742)		(51,993)		4.5%
Profit / (Loss) in Associates	5,880		5,592		-4.9%
Exchange Rate Differences	143		(1,544)		NM
Non-Operating Profit	(20,590)	-0.9%	(43,611)	-1.7%	111.8%
Profit Before Tax Expenses	276,023	11.6%	267,517	10.6%	-3.1%
Income Tax	(84,073)		(71,260)		-15.2%
Minority Interest	(14,343)		(15,619)		8.9%
Net Profit / (Loss)	177,606	7.5%	180,637	7.2%	1.7%

Estado de Resultados Consolidados 12M 2017 (MM\$) ^{1, 2}

	12M16	% Rev.	12M17	% Rev.	Var %
Revenues of Non-Banking Operations	7,898,302		8,242,645		4.4%
Revenues of Banking Operations	690,079		724,093		4.9%
Total Revenues	8,588,381	100.0%	8,966,739	100.0%	4.4%
COGS of Non-Banking Operations	(5,180,720)	-65.6%	(5,360,352)	-65.0%	3.5%
COGS of Banking Operations	(326,728)	-47.3%	(340,894)	-47.1%	4.3%
Gross Profit	3,080,933	35.9%	3,265,493	36.4%	6.0%
SG&A Expenses	(2,191,642)	-25.5%	(2,338,303)	-26.1%	6.7%
Operational Income	889,291	10.4%	927,189	10.3%	4.3%
Depreciation + Amortization	262,190	3.1%	286,771	3.2%	9.4%
EBITDA	1,151,481	13.4%	1,213,960	13.5%	5.4%
Other Income / (Expenses)	160,726		5,689		-96.5%
Net Financial Income / (Cost)	(218,388)		(197,522)		-9.6%
Profit / (Loss) in Associates	21,756		15,749		-27.6%
Exchange Rate Differences	3,637		(466)		-112.8%
Non-Operating Profit	(32,269)	-0.4%	(176,550)	-2.0%	447.1%
Profit Before Tax Expenses	857,022	10.0%	750,640	8.4%	-12.4%
Income Tax	(178,990)		(191,735)		7.1%
Minority Interest	(69,008)		(49,311)		-28.5%
Net Profit / (Loss)	609,024	7.1%	509,594	5.7%	-16.3%

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

² In 4Q16 and 12M16 "Other Gains (Losses)" includes a gain of \$23,174 million associated with the sale of assets. In 12M16 it also includes a non-recurring gain of \$139,818 million (US\$ 227 mn) due to the Mallplaza Peru split (former Aventura Plaza S.A.). In the "Minority Interest" the impact was of \$24,509 (US \$ 40 mn). Without these effects, the net profit for 4Q16 would have been of \$160,250 million (US \$ 260 mn) and for the 12M16 of \$476,358 (US\$ 774 mn). In 4Q17 and 12M17 "Other Gains (Losses)" includes a non-recurring loss of \$6,375 (US\$ 10 mn) due to the withdrawal of the Mallplaza Baron project. Without these effects, the net gain for 4Q17 would have been \$182,735 million (US\$ 297 mn) and for 12M17 \$511,694 (US\$ 832 mn).

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

	31-dec-2016	31-dec-2017	Var %
Current Assets - Non Banking Business	3,417,359	3,686,358	7.9%
Non Current Assets - Non Banking Business	6,740,747	6,938,877	2.9%
Total Assets - Non Banking Business	10,158,106	10,625,235	4.6%
Total Assets - Banking Business	3,783,184	3,744,929	-1.0%
Total Assets	13,941,290	14,370,164	3.1%
Current Liabilities - Non Banking Business	2,456,697	2,309,816	-6.0%
Non Current Liabilities - Non Banking Business	3,339,114	3,665,604	9.8%
Total Liabilities - Non Banking Business	5,795,812	5,975,420	3.1%
Total Liabilities - Banking Business	3,097,121	3,101,286	0.1%
Total Liabilities	8,892,933	9,076,706	2.1%
Total Equity	5,048,357	5,293,458	4.9%
Total Liabilities + Equity	13,941,290	14,370,164	3.1%

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

	31-dec-2016	31-dec-2017	Var %
Cash flow from operating activities - Non Banking Business	632,434	798,347	26.2%
Cash flow from operating activities - Banking Business	129,520	173,592	34.0%
Cash flow from operating activities	761,954	971,939	27.6%
Cash flow from investment activities - Non Banking Business	(407,784)	(592,993)	45.4%
Cash flow from investment activities - Banking Business	(171,851)	(124,931)	-27.3%
Cash flow from investment activities	(579,635)	(717,924)	23.9%
Cash flow from financing activities - Non Banking Business	(202,635)	(282,914)	39.6%
Cash flow from financing activities - Banking Business	(42,533)	(36,627)	-13.9%
Cash flow from financing activities	(245,169)	(319,540)	30.3%
Increase (decrease) in cash and cash equivalents	(62,850)	(65,526)	4.3%
Impact of exchange rate differences on cash and cash equivalents	(22,216)	(15,508)	-30.2%
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	575,993	494,959	-14.1%

III. Main Events During the Period

- During 4Q17 we continue developing our omnichannel strategy:
 - The first Cyber Monday where users benefited from the quick pay button developed by CMR Chile and Banco Falabella Chile to buy in Sodimac, Tottus and Viajes Falabella took place.
 - CMR Argentina concluded the omnichannel project which allowed for a seamless shopping experience across online channels including the site, mobile app and kiosk in branches.
 - Tottus Peru expanded its delivery area for the electro category outside Lima and opened a second Click and Collect location. Additionally, it implemented the first "self-scan" service system, a self-service scanning process.
 - Tottus Chile closed 2017 with 12 stores with "self-check-out" service.
- In the fourth quarter, S.A.C.I. Falabella opened eight stores in the region:
 - Sodimac opened three stores in the region:
 - In Chile, two stores were opened: one in the city of Talagante, with a sales area of 9,100 m²; and other in the city of Melipilla, with a sales area of 9,200 m².
 - In Brazil, Sodimac opened a store in the city of Sao Paulo, with a sales area of 8,900 m².
 - In addition, two Dicico stores were relaunched as Dicico-multi.
 - Tottus opened five supermarkets in the region:
 - In Peru, Tottus opened two Hiperbodega Precio Uno supermarkets: one in the city of Piura, with a sales area of 2,000 m²; and other in the city of Ica, with a sales area of 2,200 m². Additionally, Tottus opened two supermarkets: one in the city of Callao, with a sales area of 2,400 m²; and other in the city of Lima, with a sales area of 2,600 m².
 - In Chile, Tottus opened a supermarket in the city of Los Andes, with a sales area of 2,300 m².
- Seven specialist stores were opened in the region during the quarter in Chile: two Sybilla stores, one Americanino store, one Calzedonia store, one *Mac Cosmetics* store, one Aldo store and one Desigual store.
- In October 2017, S.A.C.I. Falabella, through one of its subsidiaries, purchased 50% of the shares of the Mexican company, Soriban (Servicios Financieros Soriana S.A.P.I de C.V.) from Citi-Banamex. The cost of the transaction was MXN 643,000,000, equivalent to approximately US \$ 35 million
- At the end of 2017, we had 40 service modules in Tiendas Soriana, both in Monterrey and in Mexico City.
- The financial business had a month dedicated to financial education in Chile, in which the first campaign of the "Eddu" program focused on savings tips was conducted, which generated the maximum traffic record on the website. In Peru, the first e-learning course on financial education for employees was launched, supported by the "Eddu" program.
- In Argentina, the financial business launched the program for attracting members to América Solidaria social program.
- On October 23rd, S.A.C.I. Falabella issued an international bond for US\$ 400 million, at a 10-year maturity at a 3.75% coupon rate and a 3.875% yield, 150 basis points of margin over the US Treasury bonds. This issuance had a demand of about 6x the offer. Proceeds from the operation were used for short term debt refinancing.

Events after the period

- In January S.A.C.I. Falabella announced its updated four-year investment plan, for the 2018-21 period. The Company plans to invest MMUS\$ 3,900:
 - 32% of the plan will be allocated to logistics infrastructure and IT, which will allow the company to gain efficiencies in the procurement process, increase the knowledge of its customers, expand its assortment and improve the service level to provide a seamless experience across all channels.
 - 31% of resources will be used to develop the potential of the existing network of stores through expansions and refurbishments focused on improving customer experience, strengthening the positioning of private labels and developing click & collect spaces throughout the stores network.



- 37% will be invested in expanding the geographic reach of all our business units with the opening of 108 stores and eight shopping centers, in order to continue consolidating the regional presence.
- During January, Tottus opened three supermarkets in the region:
 - In Chile, Tottus opened a supermarket in the city of Santiago, with a sales area of 4,100 m².
 - In Peru, Tottus opened two Hiperbodega Precio 1 supermarkets: one in the city Sullana, in the region of Piura, with a sales area of 2,050 m²; and other in the city of Trujillo, with a sales area of 1,500 m².
- On January 22nd, Mallplaza held an Extraordinary Shareholders' Meeting, where it was agreed to adopt all the necessary agreements to request the registration of the shares of the Company in the Securities Registry.
- As of January 1st, 2018, S.A.C.I. Falabella will adopt the accounting standard IFRS 9. The Company has estimated this will result on a reduction on accounts receivables of approximately 1,5% and of 1,0% on the net equity.



IV. 4th Quarter 2017 Results

1. Revenue

In the fourth quarter of 2017, S.A.C.I. Falabella reported consolidated revenue of \$2,513,060 million (US\$ 4,088 mn), 6.0% more than the same period last year, while sales area grew by 3.7% (17 new store openings, and two closings) during the last 12 months. Adjusting for currency variation (by using for 2017 the same exchange rate than in 2016), S.A.C.I. Falabella's consolidated revenue growth would have been 7.9%.

The online channel of our retail businesses posted 37.1% growth in revenue when compared to 4Q16, reaching \$162,826 (US\$ 265 mn) and \$472,534 (US\$ 769 mn) for 12M17. During the quarter, this channel contributed with 7.8% of the total retail revenue, which includes income from our retail formats: department stores, home improvement and supermarkets in all the countries where we operate.

Consolidated growth in revenue was mainly the result of a 14.9% revenue increase in home improvement in Chile, 2.5% in department stores in Chile, 5.9% in supermarkets in Chile, and the contribution from our operations in Argentina. The latter driven by higher SSS in department stores. In Chile, the expansion was also explained by Promotora CMR, with revenue increasing 9.1%, driven by growth in its loan-book; and by a 13.9% growth in Mallplaza's revenue. Consolidated revenue was partially offset by the depreciation of the PEN, BRL, COP and ARS against CLP.

In Chile, home improvement reported a 14.9% revenue growth, with positive SSS in all months of the quarter. The growth was partially explained by the comparison base (4Q16), when the operations were affected by the strike, and by improvements in the construction sector. Sales of department stores grew by 2.5% driven by the online channel and a positive performance of the apparel category. Supermarkets presented a revenue growth of 5.9%, driven by the opening of four stores in the last year and SSS of 2.6%. Promotora CMR also boosted the quarter's growth, with revenues that grew 9.1%, mainly derived from interest income as a result of the 9.5% increase in loans. Fee income grew 25.0%, mainly explained by an increase in merchant fees due to the increasing use of the card in third-parties. Mallplaza sales increased by 13.9% driven by GLA growth of 9.3%.

In Peru, revenue increased by 1.6% during the quarter, mainly driven by supermarkets and home improvement. Tottus Peru reported revenue growth of 5.5% (5.9% in local currency), explained by the opening of five new supermarkets in the last twelve months, while SSS increased 1.0% in the same period. Home improvement reported 3.2% increase in revenue (4.2% in local currency), as a result of an SSS growth of 4.5% and offset by the partial closure of a store. In department store consumption showed a slight recovery compared to the previous quarter with SSS of 1.4%, also offset by partial closures in stores, which resulted in a 1.6% drop in revenue, (2.0% in local currency).

In Colombia, revenue increased 2.0%, explained by department store's growth in revenues in local currency and partially offset by the depreciation of the COP / CLP. Department store revenue increased 3.8% (7.4% in local currency), driven by the growth of the online channel, the opening of a new store in the last 12 months, and SSS of 1.2%. Banco Falabella Colombia, in turn, increased its loan-book by 5.5% (in local currency).

In Argentina, revenue grew by 9.1%, driven by the SSS of both retail formats, and by a 46.4% growth in CMR revenue, in local currency.

Brazil's revenue increased 8.2% (12.2% in local currency), explained by a larger sales area and by SSS of 3.2%.

2. Operating Income

Operating income this quarter amounted to \$311,127 million (US\$ 506 mn), a 4.9% increase when compared to the same period of 2016

In Chile, home improvement reported a 48.5% growth in operating income as a result of higher revenue and the expansion of its operating margin by 162 basis points. The improvement in the margin was explained by an expansion of the gross margin achieved through better conditions with suppliers, efficiencies and greater dilution of expenses. Supermarkets also showed growth in operating income of 26.6% as a result of sales growth and improvements in the gross margin driven by food and meat categories. In department stores, the operating result contracted 32.3%, with a growth of S,G&A of 9.8%, explained by a higher level of activity in the online channel and a gross margin slightly lower than that of 4Q16. We continued strengthening the strategy of positioning our private and exclusive labels in apparel, which partially offset the lower contribution of hard lines, in a context of weak consumption.

Banco Falabella Chile reported 21.8% growth in operating income, while Promotora CMR posted a 6.3% growth. Banco Falabella Chile's operating margin expanded by 315 basis points, primarily due to lower rates and an optimization of the financing mix, which contributed to a higher gross margin. Promotora CMR's increased contribution was mainly associated with growth in revenue.

Mallplaza's operating income increased 15.6% YoY, mainly explained by an expansion in gross profit as a result of an increase in GLA, which resulted in an improvement in gross margin.

In Peru, operating income grew 1.0% with a similar operating margin than on the same period of the previous year. In Colombia, operating income increased 2.6%. In Argentina, operating income increased 16.4% with an operating margin that expanded in 44 basis points, mainly explained by Falabella Argentina. In Brazil, the operating income margin improved 122 basis points, driven by revenue and gross margin expansion.

3. Non-Operating Results and Net Income

S.A.C.I. Falabella reported a consolidated non-operating net expense loss of \$43,611 million (US\$ 71 mn), 111.8% larger than 4Q16. This was mainly explained by a non-recurring income in 4Q16 associated with the sale of assets for \$23,174 million (US\$ 38 mn); and a non-recurring loss in 4Q17 of \$2,929 million (US\$ 5 mn) explained by the write-off of the Mallplaza Baron project. Without these effects, the non-operating expenses were 7.0% lower than in the same quarter of 2016. Net financial cost increased 4.5% YoY and exchange rate differences registered a loss of \$1,544 million (US\$ 3 mn) against a gain of \$143 million (US\$ 233) in 4Q16.

Net income tax expense decreased by 15.2% this quarter, as a result of a lower effective tax rate. This was mainly explained by the reduction of the income tax in Argentina and the effects on deferred taxes of the changes on the tax rates of Colombia, Peru and Argentina in 4Q16.

Consolidated net income in 4Q17 totaled \$180,637 million (US\$ 294 mn), a 1.7% YoY increase. Without the non-recurring effects that affected the non-operating income, profit grew 14.0%. Net income does not include gains or losses from asset revaluation of investment properties, as the company adopted the historic cost method.

4. Consolidated Balance Sheet

Non-banking current assets increased by \$268,999 million (US\$ 438 mn) compared to December 2016, mainly due to an increase in trade and other accounts receivable. Non-banking non-current assets increased by \$198,130 million (US\$ 322 mn), mainly due to an increase in investment properties and property, plant and equipment due to investments in new stores, shopping centers, expansions and refurbishments. In the case of the banking business, total assets decreased by \$38,255 million (US\$ 62 mn) compared to December 2016, mainly due to the decrease in cash and bank deposits and in transactions with settlement. As a result, total assets increased by \$428,874 million (US\$ 698 m).

Non-banking current liabilities decreased by \$146,881 million (US\$ 239 mn) compared to December 2016, mainly explained by the decrease in other current financial liabilities. Non-banking long-term liabilities increased by \$326,490 million (US\$ 531 mn), mainly explained by the increase in other non-current financial liabilities. Total liabilities of the banking businesses increased by \$4,165 million (US\$ 7 mn). As a result, total liabilities increased by \$183.773 million (US\$ 299 mn).

As of the date of this report, S.A.C.I. Falabella had three dollar denominated bonds, one for US\$ 500 million and two bonds for US\$ 400 million, which are hedged, both at capital and interest level, with swaps until maturity.

5. Consolidated Cash Flow

The non-banking business cash flow from operating activities increased by \$165,913 million (US\$ 270 mn) as of December 2017 compared to the previous year, mainly due to higher proceeds from sale of goods and providing services, and offset by greater payment to suppliers for supplying goods and services. Banking business cash flow from operating activities increased by \$44,072 million (US\$ 72 mn), mainly explained by a lower net increase in loans and accounts receivable from clients. As a result, cash flow from consolidated operating activities increased by \$ 209,985 million (US \$ 342 million) in the period.

Non-banking business cash flow of investment activities was \$185,209 million (US\$ 301 mn) more negative than on the same period of previous year, mainly due to higher additions to property, plant and equipment and less proceeds from disposal of property, plant and equipment. Banking business cash flow from investment activities decreased by \$46,920 million (US\$ 76 mn) with respect to previous year, mainly due to less net increase in investment securities available for sale. As of December 2017, consolidated cash flow from investment activities was \$138,289 million (US\$ 225 mn) more negative than the same period of 2016.

Non-banking business cash flow from financing activities as of December 2017 was \$80,278 million (US\$ 131 mn) more negative than last year, mainly explained by lower proceeds from long and short-term loans. Banking business cash flow from financing activities was \$5,907 million (US\$10 mn) less negative than the same period last year, due to lower bond payments and other long-term loans. As a result, consolidated cash flow from financing activities reached \$74,371 million (US\$ 121 mn) more negative than the same period last year.

V. Retail Indicators

1. Retail Business Revenue ^{3,4}

Retail Revenue 4Q 2017 (CLP million)

	4Q16	4Q17	Var %	Var Local Currency %
Chile				
Department Stores	456,634	468,204	2.5%	2.5%
Home Improvement	479,105	550,640	14.9%	14.9%
Supermarkets	191,029	202,393	5.9%	5.9%
Peru				
Department Stores	175,848	172,982	-1.6%	-2.0%
Home Improvement	146,494	151,136	3.2%	4.2%
Supermarkets	191,816	202,308	5.5%	5.9%
Colombia				
Department Stores	136,491	141,720	3.8%	7.4%
Home Improvement	208,544	194,108	-6.9%	-3.4%
Argentina				
Department Stores	88,231	95,663	8.4%	28.7%
Home Improvement	43,962	46,643	6.1%	26.3%
Brazil				
Home Improvement	46,210	49,997	8.2%	12.2%
Online sales	118,736	162,826	37.1%	

Retail Revenue 12M 2017 (MM\$)

	12M16	12M17	Var %	Var Local Currency ² %
Chile				
Department Stores	1,471,982	1,535,036	4.3%	4.3%
Home Improvement	2,000,747	2,045,241	2.2%	2.2%
Supermarkets	705,968	738,766	4.6%	4.6%
Peru				
Department Stores	595,596	585,881	-1.6%	-1.1%
Home Improvement	591,765	601,199	1.6%	2.4%
Supermarkets	666,023	703,275	5.6%	6.3%
Colombia				
Department Stores	349,599	376,391	7.7%	8.9%
Home Improvement	766,046	751,542	-1.9%	-1.2%
Argentina				
Department Stores	303,038	318,621	5.1%	23.2%
Home Improvement	166,077	170,958	2.9%	20.8%
Brazil				
Home Improvement	167,504	188,760	12.7%	8.4%
Online sales	347,547	472,534	36.0%	

³ Online sales include revenue generated in the online channel for all retail businesses excluding home improvement in Colombia

⁴ All revenue variations are in nominal terms and have been calculated in both Chilean pesos and local currency of each country.

Same Store Sales (SSS) Nominal Growth ^{5,6,7}

	1Q16	2Q16	3Q16	4Q16	2016	1Q17	2Q17	3Q17	4Q17	2017
Chile										
Department Stores	13.1%	9.6%	13.3%	6.6%	10.1%	8.1%	6.0%	4.7%	1.7%	4.8%
Home Improvement	5.9%	5.0%	7.3%	-8.2%	1.1%	-1.7%	-2.4%	-2.5%	13.9%	1.6%
Supermarkets	2.5%	-0.7%	2.3%	-2.4%	0.3%	-2.0%	3.5%	1.5%	2.6%	1.4%
Peru										
Department Stores	1.4%	1.4%	-2.0%	-5.0%	-1.6%	-5.9%	5.0%	-0.8%	1.4%	0.3%
Home Improvement	-3.8%	-4.4%	-5.3%	-5.6%	-4.8%	-2.6%	3.6%	5.5%	4.5%	2.7%
Supermarkets	0.3%	-2.9%	-1.7%	-1.4%	-1.5%	-1.0%	0.6%	0.2%	1.0%	0.3%
Colombia										
Department Stores	-1.8%	0.0%	-10.1%	6.9%	0.0%	-2.4%	-4.4%	0.4%	1.2%	-0.9%
Home Improvement	8.5%	8.5%	1.0%	1.5%	4.6%	-2.7%	-7.1%	-4.2%	-5.4%	-4.8%
Argentina										
Department Stores	24.2%	29.0%	16.9%	17.8%	21.5%	16.5%	20.4%	25.4%	29.9%	23.6%
Home Improvement	29.1%	28.1%	22.2%	11.2%	21.3%	14.1%	18.9%	23.0%	29.9%	23.6%
Brazil										
Home Improvement	-10.4%	-8.4%	-8.5%	-0.2%	-6.9%	-3.0%	-1.0%	10.6%	3.2%	2.4%

⁵ All variations are calculated in nominal terms and in the local currency of each country. In Argentina SSS are calculated net of IIBB.

⁶ SSS growth includes revenue generated from the online channel of each business unit.

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}

	December 2016		December 2017	
	Sales Area (m ²)	Stores (#)	Sales Area (m ²)	Stores (#)
Chile				
Department Stores	306,162	44	318,333	45
Home Improvement	713,331	85	749,725	89
Supermarkets	207,067	61	212,115	64
Peru				
Department Stores	176,962	29	176,962	29
Home Improvement	371,714	56	371,714	56
Supermarkets	218,833	60	234,017	65
Colombia				
Department Stores	166,911	25	174,831	26
Home Improvement	366,282	38	368,380	38
Argentina				
Department Stores	57,595	11	58,426	11
Home Improvement	85,941	8	85,941	8
Brazil				
Home Improvement	148,381	56	167,434	57
Uruguay				
Home Improvement	19,211	3	24,849	3
Total Stores	2,838,389	476	2,942,726	491

3. Number of Shopping Malls and GLA of Real Estate Operators ^{11,12}

	December 2016		December 2017	
	GLA (m ²)	Shopping Malls (#)	GLA (m ²)	Shopping Malls (#)
Chile				
Mallplaza	1,214,000	16	1,327,000	17
Open Plaza	229,000	10	229,000	10
Peru				
AP/Mallplaza Peru *	160,000	2	202,000	3
Open Plaza	316,000	11	316,000	11
Colombia				
Mallplaza	27,000	1	27,000	1
Total Real Estate	1,946,000	40	2,101,000	42

The company and its subsidiaries own 992,000 m² of additional GLA in free standing Falabella, Sodimac, Tottus, Maestro stores and other locations.

⁸ During 2016 S.A.C.I. Falabella's sales area measurement was updated, which explains differences with data published in December 2016.

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 Department stores Peru includes a Crate & Barrel store.

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.

¹² Mallplaza Peru is the subsidiary created after the dissolution of Aventura Plaza in July 2016.

* The GLA for Mallplaza Peru includes approximately 2,200 m² in maintenance.

4. Sales per Square Meter of Retail Businesses¹³

Sales per Square Meter – 4Q 2017 (CLP / m²)

	4Q16	4Q17	Var %	Var Local Currency %
Chile				
Department Stores	1,496,192	1,470,802	-1.7%	-1.7%
Home Improvement	671,645	734,456	9.4%	9.4%
Supermarkets	922,546	959,624	4.0%	4.0%
Peru				
Department Stores	1,007,422	977,506	-3.0%	-3.3%
Home Improvement	395,842	406,592	2.7%	3.7%
Supermarkets	905,026	880,535	-2.7%	-2.3%
Colombia				
Department Stores	853,954	810,612	-5.1%	-1.9%
Home Improvement	589,611	527,669	-10.5%	-7.1%
Argentina				
Department Stores	1,531,092	1,645,495	7.5%	27.6%
Home Improvement	511,534	542,730	6.1%	26.3%
Brazil				
Home Improvement	308,060	307,062	-0.3%	3.3%
TOTAL	784,704	792,977		

Sales per Square Meter – 12M 2017 (CLP / m²)

	12M16	12M17	Var %	Var Local Currency %
Chile				
Department Stores	4,800,096	4,921,678	2.5%	2.5%
Home Improvement	2,807,730	2,792,057	-0.6%	-0.6%
Supermarkets	3,475,344	3,539,833	1.9%	1.9%
Peru				
Department Stores	3,435,849	3,310,773	-3.6%	-3.1%
Home Improvement	1,602,756	1,617,370	0.9%	1.8%
Supermarkets	3,231,040	3,103,454	-3.9%	-3.3%
Colombia				
Department Stores	2,358,613	2,177,549	-7.7%	-6.6%
Home Improvement	2,205,043	2,047,407	-7.1%	-6.5%
Argentina				
Department Stores	5,263,792	5,496,383	4.4%	22.3%
Home Improvement	1,937,687	1,989,245	2.7%	20.5%
Brazil				
Home Improvement	1,130,201	1,196,915	5.9%	1.8%
TOTAL	2,822,265	2,792,977		

¹³ Revenue divided by average area of the period. The YoY variation corresponds to the variation in Chilean pesos and the variation in local currency. Total sales per square meter is the sum of revenue 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.

VI. Financial Business Units ^{14, 15}

CMR Units: Income Statement

	Promotora CMR			CMR Argentina		
	4Q16	4Q17	Var. %	4Q16	4Q17	Var. %
Selected Operating Results	<i>(Mn CLP)</i>			<i>(Th ARS)</i>		
Interest income	94,455	100,541	6.4%	223,394	155,283	-30.5%
Fee and commission income	15,458	19,325	25.0%	218,948	492,207	124.8%
Total Income	109,913	119,866	9.1%	442,342	647,490	46.4%
Interest expense	(9,711)	(7,749)	-20.2%	(160,468)	(238,190)	48.4%
Credit risk cost	(21,050)	(24,341)	15.6%	(21,465)	(50,130)	133.5%
Other expenses	(20,519)	(25,411)	23.8%	(72,889)	(82,873)	13.7%
Total expenses	(51,280)	(57,501)	12.1%	(254,823)	(371,192)	45.7%
Gross Profit	58,632	62,365	6.4%	187,519	276,298	47.3%
Administrative expenses	(10,428)	(11,108)	6.5%	(129,823)	(213,350)	64.3%
Operating Income	48,204	51,257	6.3%	57,696	62,947	9.1%
Net income	36,449	39,367	8.0%	33,944	18,828	-44.5%
Efficiency ratio	13.1%	12.8%		62.1%	65.4%	

	2016	2017	Var. %	2016	2017	Var. %
	<i>(Mn CLP)</i>			<i>(Th ARS)</i>		
Selected Operating Results						
Interest income	361,393	399,099	10.4%	793,427	1,028,504	29.6%
Fee and commission income	53,357	68,117	27.7%	819,581	1,191,680	45.4%
Total Income	414,750	467,216	12.6%	1,613,008	2,220,184	37.6%
Interest expense	(37,217)	(35,512)	-4.6%	(703,328)	(652,651)	-7.2%
Provision for loan losses	(75,545)	(102,526)	35.7%	(102,082)	(153,857)	50.7%
Other expenses	(102,032)	(93,224)	-8.6%	(258,941)	(313,728)	21.2%
Total expenses	(214,794)	(231,262)	7.7%	(1,064,351)	(1,120,236)	5.3%
Gross Profit	199,957	235,954	18.0%	548,657	1,099,948	100.5%
Administrative expenses	(43,321)	(45,424)	4.9%	(498,519)	(681,965)	36.8%
Operating Income	156,635	190,530	21.6%	50,138	417,983	733.7%
Net income	122,678	145,430	18.5%	38,735	268,560	593.3%
Efficiency ratio	15.7%	13.4%		76.6%	54.4%	

CMR Units: Balance Sheet Accounts and Operational Information

	Promotora CMR			CMR Argentina		
	dec 16	dec 17	Var. %	dec 16	dec 17	Var. %
Selected Balance Sheet Accounts	<i>(Mn CLP)</i>			<i>(Th ARS)</i>		
Loans from customers, gross	1,566,161	1,715,531	9.5%	3,603,470	5,683,936	57.7%
Allowance for loan losses	(57,943)	(65,590)	13.2%	(76,486)	(126,847)	65.8%
Loans from customers, net	1,508,218	1,649,941	9.4%	3,526,984	5,557,088	57.6%
Total Assets	1,576,122	1,734,785	10.1%	3,741,353	5,924,991	58.4%
Total Liabilities	1,044,298	1,157,698	10.9%	3,347,603	5,262,361	57.2%
Total Equity	531,824	577,087	8.5%	393,750	662,630	68.3%
Total Liabilities + Total Equity	1,576,122	1,734,785	10.1%	3,741,353	5,924,991	58.4%
Operational information						
NPL (+90 days)	38,389	45,110	17.5%	44,633	61,289	37.3%
Open Accounts (with balance)	2,417,591	2,463,344	1.9%	535,757	506,848	-5.4%
Average Loan (local currency)	647,819	696,424	7.5%	6,726	11,214	66.7%
Duration (months)	5.2	6.1	16.4%	2.6	3.8	45.4%
Ratios						
NPL / Loans from customers, gross	2.5%	2.6%		1.2%	1.1%	
Allowance for loan losses/NPL	1.5	1.5		1.7	2.1	
ROAE	24.2%	25.8%		2.1%	57.2%	
ROAA	8.5%	9.0%		0.2%	7.1%	

¹⁴ See definitions at the end of the report.¹⁵ New calculation of the Duration since 1Q17, from a lineal methodology to Macaulay

Banco Falabella: Income Statement

	Banco Falabella Chile			Banco Falabella Perú			Banco Falabella Colombia		
	4Q16	4Q17	Var. %	4Q16	4Q17	Var. %	4Q16	4Q17	Var. %
	<i>(Mn CLP)</i>			<i>(Th SOL)</i>			<i>(Mn COP)</i>		
Interest income and adjustments	69,542	73,357	5.5%	284,397	265,333	-6.7%	119,894	117,882	-1.7%
Interest expense and adjustments	(17,039)	(14,413)	-15.4%	(35,168)	(30,835)	-12.3%	(30,817)	(23,306)	-24.4%
Net interest income and adjustments	52,503	58,944	12.3%	249,230	234,498	-5.9%	89,077	94,576	6.2%
Fee and commission income	9,042	10,421	15.2%	37,315	35,172	-5.7%	55,346	60,192	8.8%
Fee and commission expense	(4,674)	(4,226)	-9.6%	(48,764)	(29,862)	-38.8%	(14,317)	(17,037)	19.0%
Net fee and commission income	4,368	6,195	41.8%	(11,449)	5,310	-146.4%	41,028	43,155	5.2%
Net income (expense) from financial operations	1,692	1,230	-27.3%	1,040	1,828	75.7%	534	5,542	937.9%
Other operating net income	490	110	-77.6%	5,838	9,828	68.4%	1,457	941	-35.4%
Net operating profit before provisions for loan losses	59,053	66,479	12.6%	244,659	251,464	2.8%	132,096	144,214	9.2%
Provision for loan losses	(15,401)	(17,090)	11.0%	(85,725)	(87,590)	2.2%	(46,228)	(46,813)	1.3%
Operating expenses	(26,893)	(28,969)	7.7%	(134,687)	(141,359)	5.0%	(60,113)	(82,627)	37.5%
Operating Income	16,760	20,420	21.8%	24,247	22,515	-7.1%	25,756	14,774	-42.6%
Net Income	13,331	15,270	14.5%	17,932	14,664	-18.2%	15,049	8,098	-46.2%
Efficiency ratio	45.5%	43.6%		55.1%	56.2%		45.5%	57.3%	
	2016	2017	Var. %	2016	2017	Var. %	2016	2017	Var. %
	<i>(Mn CLP)</i>			<i>(Th SOL)</i>			<i>(Mn COP)</i>		
Interest income and adjustments	269,231	285,085	5.9%	1,116,334	1,099,470	-1.5%	431,345	488,117	13.2%
Interest expense and adjustments	(72,045)	(60,602)	-15.9%	(158,832)	(129,513)	-18.5%	(111,011)	(107,775)	-2.9%
Net interest income and adjustments	197,186	224,482	13.8%	957,502	969,958	1.3%	320,334	380,341	18.7%
Fee and commission income	33,523	37,605	12.2%	130,282	133,989	2.8%	184,624	215,069	16.5%
Fee and commission expense	(17,106)	(16,993)	-0.7%	(152,831)	(150,093)	-1.8%	(44,824)	(50,056)	11.7%
Net fee and commission income	16,417	20,612	25.5%	(22,550)	(16,105)	-28.6%	139,800	165,013	18.0%
Net income (expense) from financial operations	8,100	7,460	-7.9%	3,528	6,965	97.4%	3,814	7,829	105.3%
Other operating net income	1,125	470	-58.2%	34,669	40,402	16.5%	5,896	6,683	13.4%
Net operating profit before provisions for loan losses	222,828	253,024	13.6%	973,150	1,001,219	2.9%	469,844	559,866	19.2%
Provision for loan losses	(49,133)	(66,600)	35.5%	(329,061)	(365,672)	11.1%	(139,652)	(181,143)	29.7%
Operating expenses	(104,142)	(114,142)	9.6%	(518,045)	(529,327)	2.2%	(243,032)	(298,916)	23.0%
Operating Income	69,554	72,282	3.9%	126,044	106,220	-15.7%	87,161	79,807	-8.4%
Net Income	54,773	54,901	0.2%	89,237	72,254	-19.0%	51,192	45,018	-12.1%
Efficiency ratio	46.7%	45.1%		53.2%	52.9%		51.7%	53.4%	

Banco Falabella: Balance Sheet Accounts and Operational Information

	Banco Falabella Chile			Banco Falabella Perú			Banco Falabella Colombia		
	dec 16	dec 17	Var. %	dec 16	dec 17	Var. %	dec 16	dec 17	Var. %
Selected Balance Sheet Accounts	<i>(Mn CLP)</i>			<i>(Th SOL)</i>			<i>(Mn COP)</i>		
Cash and deposits in banks	128,556	107,549	-16.3%	751,215	497,882	-33.7%	109,489	108,773	-0.7%
Trading investments	565,196	613,234	8.5%	327,362	526,712	60.9%	110,951	111,219	0.2%
Loans from customers, gross	1,546,890	1,643,817	6.3%	3,975,133	3,564,146	-10.3%	2,049,514	2,162,004	5.5%
Allowance for loan losses	(75,292)	(79,855)	NM	(359,753)	(410,243)	14.0%	(144,900)	(158,619)	9.5%
Loans from customers, net	1,471,598	1,563,962	6.3%	3,615,380	3,153,903	-12.8%	1,904,615	2,003,384	5.2%
Total Assets	2,321,812	2,416,877	4.1%	4,983,629	4,540,134	-8.9%	2,281,858	2,413,211	5.8%
Deposits	361,022	426,281	18.1%	537,050	501,166	-6.7%	202,638	452,295	123.2%
Time deposits	1,221,812	1,260,584	3.2%	2,303,488	2,320,617	0.7%	1,191,169	1,087,839	-8.7%
Total deposits	1,582,834	1,686,865	6.6%	2,840,538	2,821,783	-0.7%	1,393,806	1,540,135	10.5%
Other financial liabilities	385,150	362,044	-6.0%	145,676	108,361	-25.6%	273,429	235,616	-13.8%
Total Liabilities	2,106,810	2,169,527	3.0%	4,275,320	3,810,551	-10.9%	1,905,734	1,992,067	4.5%
Total Equity	215,002	247,350	15.0%	708,310	729,583	3.0%	376,124	421,144	12.0%
Total Liabilities + Total Equity	2,321,812	2,416,877	4.1%	4,983,629	4,540,134	-8.9%	2,281,858	2,413,211	5.8%
Operational information									
NPL (+90 days)	55,567	55,635	0.1%	107,301	120,162	12.0%	61,255	74,012	20.8%
Current, Saving and checking Accounts	941,553	965,047	2.5%	972,051	1,067,564	9.8%	1,211,449	1,578,551	30.3%
Open Accounts (with balance)	58,079	61,967	6.7%	1,048,241	990,718	-5.5%	1,045,641	1,102,957	5.5%
Average Loan (local currency)	NM	NM	NM	3,792	3,598	-5.1%	1,960,055	1,960,188	0.0%
Duration (months)	15.8	16.3	3.4%	9.6	7.8	-18.6%	8.2	9.5	15.7%
ATMs	385	402	4.4%	174	174	0.0%	60	61	1.7%
Branches	101	98	-3.0%	97	77	-20.6%	67	86	28.4%
Ratios									
NPL / Loans from customers, gross	3.6%	3.4%		2.7%	3.4%		3.0%	3.4%	
Allowance for loan losses/NPL	1.4	1.4		3.4	3.4		2.4	2.1	
Basilea	15.8%	16.8%		15.4%	17.2%		12.3%	13.4%	
ROAE	27.4%	26.0%		13.0%	10.0%		14.6%	14.8%	
ROAA	2.4%	2.5%		1.8%	1.5%		2.5%	2.0%	

Percentage of Sales with CMR Card ¹⁶

	1Q16	1H16	9M16	2016	1Q17	1H17	9M17	2017
Chile - Falabella	41.2%	44.6%	45.1%	45.3%	42.0%	45.2%	45.6%	46.1%
Chile - Sodimac	26.8%	27.2%	27.1%	27.5%	26.7%	27.8%	27.5%	27.6%
Chile - Tottus	18.7%	19.4%	19.8%	20.0%	18.6%	19.4%	19.9%	20.1%
Peru - Saga, Sodimac & Tottus	36.6%	38.5%	38.7%	38.8%	35.2%	37.3%	37.3%	37.6%
Colombia - Falabella & Sodimac	20.3%	23.3%	23.2%	24.2%	20.4%	22.1%	21.6%	23.1%
Argentina - Falabella & Sodimac	25.2%	26.1%	25.6%	25.4%	23.0%	25.0%	25.1%	25.3%

¹⁶ 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 2Q16, 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,¹⁷ Average Payment Period and Inventory Turnover¹⁸

Chile

	Dep. Stores		Home Improv.		Supermarkets		Promotora CMR		Plaza S.A.	
	4Q16	4Q17	4Q16	4Q17	4Q16	4Q17	4Q16	4Q17	4Q16	4Q17
Average Collection Period	9.3	10.7	24.8	22.8	3.5	4.5	114.0	117.0	32.0	33.0
Average Payment Period	42.2	50.4	47.2	42.9	41.8	39.7	NM	NM	NM	NM
Inventory Turnover (days)	79.3	87.6	88.9	75.3	43.9	40.7	NM	NM	NM	NM

International Operations¹⁹

	Peru		Argentina		Colombia		Brazil	
	4Q16	4Q17	4Q16	4Q17	4Q16	4Q17	4Q16	4Q17
Average Collection Period	3.4	4.4	17.1	16.4	6.0	7.9	48.9	25.5
Average Payment Period	50.1	51.4	59.7	57.3	55.0	57.0	109.4	108.6
Inventory Turnover (day)	84.1	82.9	102.6	88.3	62.9	64.7	161.3	154.2

¹⁷ Collection period does not include accounts receivable of the retail businesses (department stores, home improvement and supermarkets) with Promotora CMR

¹⁸ Average Collection Period (does not include Promotora CMR and Plaza S.A.): Current trade and other receivables *90/ Revenue

Average Collection Period for Promotora CMR: Duration (lineal) * 30

Average Collection Period for Plaza S.A. 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

¹⁹ Metrics include only retail operations.

VIII. Operating Results by Business Unit ²⁰

Operating Results 4Q 2017 (CLP million)

Chile

	Department Stores			Home Improvement			Supermarkets		
	4Q16	4Q17	(% bps)	4Q16	4Q17	(% bps)	4Q16	4Q17	(% bps)
Revenues	456,634	468,204	2.5%	479,105	550,640	14.9%	191,029	202,393	5.9%
Gross Profit	168,732	161,242	-4.4%	150,365	175,365	16.6%	47,264	51,277	8.5%
Gross Margin	37.0%	34.4%	-251	31.4%	31.8%	46	24.7%	25.3%	59
SG&A	(111,744)	(122,663)	9.8%	(123,829)	(135,967)	9.8%	(41,597)	(44,102)	6.0%
SG&A / Revenues	-24.5%	-26.2%	-173	-25.8%	-24.7%	115	-21.8%	-21.8%	-2
Operating Profit	56,988	38,579	-32.3%	26,536	39,398	48.5%	5,668	7,175	26.6%
Operating Margin	12.5%	8.2%	-424	5.5%	7.2%	162	3.0%	3.5%	58
EBITDA	64,156	47,238	-26.4%	36,295	50,904	40.3%	10,199	12,026	17.9%
EBITDA Margin	14.0%	10.1%	-396	7.6%	9.2%	167	5.3%	5.9%	60

	Promotora CMR			Banco Falabella Chile		
	4Q16	4Q17	(% bps)	4Q16	4Q17	(% bps)
Revenues	109,913	119,866	9.1%	79,074	83,887	6.1%
Gross Profit	58,632	62,365	6.4%	43,653	49,389	13.1%
Gross Margin	53.3%	52.0%	-132	55.2%	58.9%	367
SG&A	(10,428)	(11,108)	6.5%	(26,893)	(28,969)	7.7%
SG&A / Revenues	-9.5%	-9.3%	22	-34.0%	-34.5%	-52
Operating Profit	48,204	51,257	6.3%	16,760	20,420	21.8%
Operating Margin	43.9%	42.8%	-110	21.2%	24.3%	315
EBITDA	48,204	51,257	6.3%	19,129	23,028	20.4%
EBITDA Margin	43.9%	42.8%	-110	24.2%	27.5%	326

International Operations

	Peru			Colombia			Argentina			Brazil		
	4Q16	4Q17	(% bps)	4Q16	4Q17	(% bps)	4Q16	4Q17	(% bps)	4Q16	4Q17	(% bps)
Revenues	588,825	598,451	1.6%	180,894	184,443	2.0%	150,059	163,788	9.1%	46,210	49,997	8.2%
Gross Profit	192,579	196,178	1.9%	63,478	68,959	8.6%	72,311	79,997	10.6%	14,485	16,432	13.4%
Gross Margin	32.7%	32.8%	8	35.1%	37.4%	230	48.2%	48.8%	65	31.3%	32.9%	152
SG&A	(135,936)	(138,972)	2.2%	(42,895)	(47,846)	11.5%	(62,254)	(68,292)	9.7%	(19,238)	(20,965)	9.0%
SG&A / Revenues	-23.1%	-23.2%	-14	-23.7%	-25.9%	-223	-41.5%	-41.7%	-21	-41.6%	-41.9%	-30
Operating Profit	56,642	57,206	1.0%	20,583	21,112	2.6%	10,058	11,705	16.4%	(4,753)	(4,533)	-4.6%
Operating Margin	9.6%	9.6%	-6	11.4%	11.4%	7	6.7%	7.1%	44	-10.3%	-9.1%	122
EBITDA	73,909	75,368	2.0%	24,723	25,966	5.0%	11,267	12,770	13.3%	(3,555)	(3,354)	-5.6%
EBITDA Margin	12.6%	12.6%	4	13.7%	14.1%	41	7.5%	7.8%	29	-7.7%	-6.7%	98

Others

	Plaza S.A.			Other, elimination & anulment			S.A.C.I. Falabella		
	4Q16	4Q17	(% bps)	4Q16	4Q17	(% bps)	4Q16	4Q17	(% bps)
Revenues	68,410	77,896	13.9%	20,272	13,494	-33.4%	2,370,424	2,513,060	6.0%
Gross Profit	52,120	61,555	18.1%	16,482	15,796	-4.2%	880,101	938,555	6.6%
Gross Margin	76.2%	79.0%	283	81.3%	117.1%	3,576	37.1%	37.3%	22
SG&A	(8,172)	(10,751)	31.6%	(501)	2,207	NM	(583,488)	(627,428)	7.5%
SG&A / Revenues	-11.9%	-13.8%	-186	-2.5%	16.4%	1,883	-24.6%	-25.0%	-35
Operating Profit	43,949	50,804	15.6%	15,979	18,003	12.7%	296,614	311,127	4.9%
Operating Margin	64.2%	65.2%	98	78.8%	133.4%	5,459	12.5%	12.4%	-13
EBITDA	53,804	61,376	14.1%	26,864	29,762	10.8%	364,996	386,340	5.8%
EBITDA Margin	78.6%	78.8%	14	132.5%	220.6%	8,804	15.4%	15.4%	-2

²⁰ 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 12M 2017 (CLP million)

Chile

	Department Stores			Home Improvement			Supermarkets		
	12M16	12M17	(% bps)	12M16	12M17	(% bps)	12M16	12M17	(% bps)
Revenues	1,471,982	1,535,036	4.3%	2,000,747	2,045,241	2.2%	705,968	738,766	4.6%
Gross Profit	486,653	511,781	5.2%	597,946	617,190	3.2%	175,190	183,601	4.8%
Gross Margin	33.1%	33.3%	28	29.9%	30.2%	29	24.8%	24.9%	4
SG&A	(398,005)	(432,679)	8.7%	(480,406)	(517,746)	7.8%	(162,059)	(169,232)	4.4%
SG&A / Revenues	-27.0%	-28.2%	-115	-24.0%	-25.3%	-130	-23.0%	-22.9%	5
Operating Profit	88,648	79,102	-10.8%	117,540	99,444	-15.4%	13,132	14,369	9.4%
Operating Margin	6.0%	5.2%	-87	5.9%	4.9%	-101	1.9%	1.9%	8
EBITDA	116,560	111,586	-4.3%	156,890	142,112	-9.4%	30,655	32,986	7.6%
EBITDA Margin	7.9%	7.3%	-65	7.8%	6.9%	-89	4.3%	4.5%	12

	Promotora CMR			Banco Falabella Chile		
	12M16	12M17	(% bps)	12M16	12M17	(% bps)
Revenues	414,750	467,216	12.6%	303,880	323,160	6.3%
Gross Profit	199,957	235,954	18.0%	173,696	186,424	7.3%
Gross Margin	48.2%	50.5%	229	57.2%	57.7%	53
SG&A	(43,321)	(45,424)	4.9%	(104,142)	(114,142)	9.6%
SG&A / Revenues	-10.4%	-9.7%	72	-34.3%	-35.3%	-105
Operating Profit	156,635	190,530	21.6%	69,554	72,282	3.9%
Operating Margin	37.8%	40.8%	301	22.9%	22.4%	-52
EBITDA	156,635	190,530	21.6%	78,404	82,269	4.9%
EBITDA Margin	37.8%	40.8%	301	25.8%	25.5%	-34

International Operations

	Peru			Colombia			Argentina			Brazil		
	12M16	12M17	(% bps)	12M16	12M17	(% bps)	12M16	12M17	(% bps)	12M16	12M17	(% bps)
Revenues	2,141,308	2,188,610	2.2%	509,615	556,042	9.1%	538,010	570,916	6.1%	167,504	188,760	12.7%
Gross Profit	676,307	688,334	1.8%	174,967	208,871	19.4%	253,499	276,726	9.2%	54,714	61,793	12.9%
Gross Margin	31.6%	31.5%	-13	34.3%	37.6%	323	47.1%	48.5%	135	32.7%	32.7%	7
SG&A	(516,125)	(522,833)	1.3%	(157,763)	(181,673)	15.2%	(231,289)	(246,552)	6.6%	(72,213)	(79,278)	9.8%
SG&A / Revenues	-24.1%	-23.9%	21	-31.0%	-32.7%	-172	-43.0%	-43.2%	-20	-43.1%	-42.0%	111
Operating Profit	160,182	165,501	3.3%	17,204	27,197	NM	22,210	30,174	35.9%	(17,500)	(17,485)	-0.1%
Operating Margin	7.5%	7.6%	8	3.4%	4.9%	152	4.1%	5.3%	116	-10.4%	-9.3%	118
EBITDA	227,026	238,601	5.1%	32,409	46,383	43.1%	27,232	34,725	27.5%	(13,174)	(12,685)	-3.7%
EBITDA Margin	10.6%	10.9%	30	6.4%	8.3%	198	5.1%	6.1%	102	-7.9%	-6.7%	114

Others

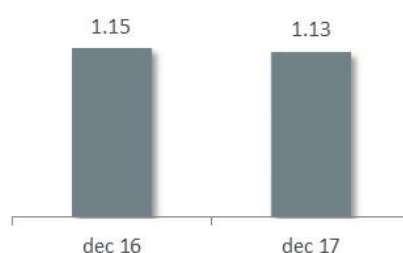
	Plaza S.A.			Other, elimination & anulment			S.A.C.I. Falabella		
	12M16	12M17	(% bps)	12M16	12M17	(% bps)	12M16	12M17	(% bps)
Revenues	260,422	280,472	7.7%	74,195	72,520	-2.3%	8,588,381	8,966,739	4.4%
Gross Profit	196,810	220,821	12.2%	91,196	73,998	-18.9%	3,080,933	3,265,493	6.0%
Gross Margin	75.6%	78.7%	316	122.9%	102.0%	-2,088	35.9%	36.4%	54
SG&A	(26,920)	(36,972)	37.3%	601	8,228	1269.1%	(2,191,642)	(2,338,303)	6.7%
SG&A / Revenues	-10.3%	-13.2%	-284	0.8%	11.3%	1,054	-25.5%	-26.1%	-56
Operating Profit	169,893	183,849	8.2%	91,793	82,226	-10.4%	889,291	927,189	4.3%
Operating Margin	65.2%	65.5%	31	123.7%	113.4%	-1,033	10.4%	10.3%	-1
EBITDA	209,236	222,408	6.3%	129,608	125,045	-3.5%	1,151,481	1,213,960	5.4%
EBITDA Margin	80.3%	79.3%	-105	174.7%	172.4%	-226	13.4%	13.5%	13

IX. Financial Structure

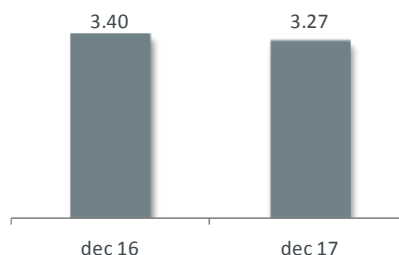
Total liabilities as of December 31st, 2017 reached \$9,076,706 million (US\$ 14,765 mn). In turn, the leverage of the non-banking business²¹ amounted to 1.13x. Considering the financial debt²² of the non-banking business, the ratio of Net Financial Debt / EBITDA was 3.27x.

S.A.C.I. Falabella's firm-wide policy is to raise debt in local currency, or to hedge to local currency any debt raised in foreign currency. Under 144^a/Reg S, the company has three bonds, one for US\$ 500 million and another two US\$ 400 million, both of which are fully hedged with swaps, capital and interest, to maturity

Leverage Non-Banking Operations ²³



Net Financial Debt / EBITDA Non-Banking ²⁴

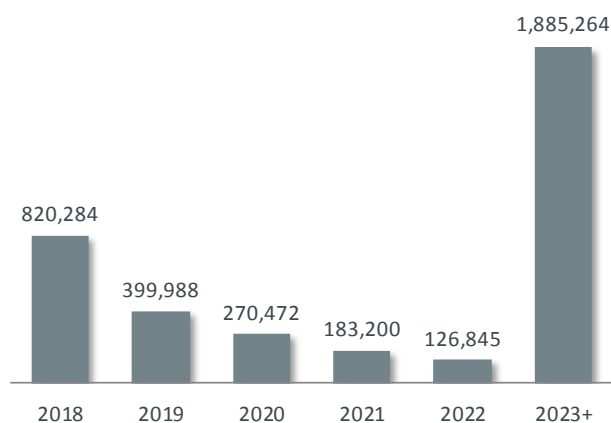


²¹ Non-banking operations leverage = total non-banking operations liabilities divided by total equity.

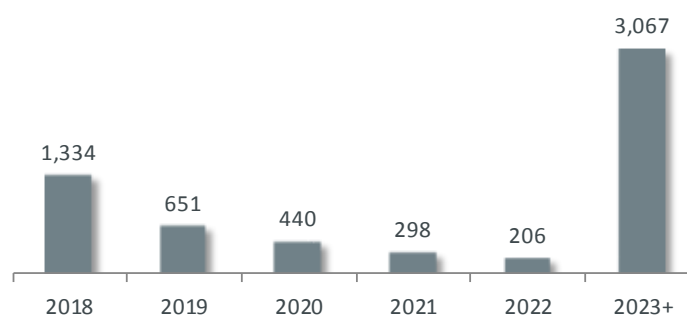
²² Non-banking business financial debt = total current non-bank operations liabilities + total non-current non-banking operations liabilities.

²³ These ratios include restatements related to Plaza S.A.'s asset revaluation of investment properties in December 2016.

²⁴ 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 Profile²⁵**Debt Maturity Profile (CLP million)**

Total Consolidated Financial Debt (excluding banking operations): MM\$ 3,685,932.

Debt Maturity Profile (US\$ million)²⁶

Total Consolidated Financial Debt (excluding banking operations): MMUS\$ 5,996.

²⁵ 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 Promotora CMR and CMR Argentina.

²⁶ 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 ²⁷

	For the year ended as of 31-Dec-17	For the year ended as of 31-Dec-16
	TH CLP	TH CLP
Statement of Income		
Non-banking Business		
Revenue from continuing operations	8,242,645,263	7,898,301,784
Cost of sales	(5,360,352,050)	(5,180,719,944)
Gross Profit	2,882,293,213	2,717,581,840
Distribution costs	(84,461,522)	(89,751,825)
Administrative expenses	(1,832,012,677)	(1,716,574,738)
Other expenses, by function	(148,468,521)	(135,229,377)
Other gains (losses)	5,689,395	160,726,377
Financial income	16,196,997	15,268,092
Financial expenses	(196,455,243)	(207,568,518)
Equity interest in profits (losses) of associates accounted for using the equity method	15,279,304	21,247,989
Foreign currency translation	(466,040)	3,637,364
Income from indexation units	(17,264,195)	(26,087,890)
Profit (Loss), before Taxes	640,330,711	743,249,314
Income tax expense	(159,920,613)	(148,580,176)
Profit (loss) from Non-banking Business	480,410,098	594,669,138
Banking Services (Presentation)		
Interest and indexation revenue	556,942,538	526,664,491
Interest and indexation expenses	(131,370,906)	(152,144,758)
Net Income from Interest and Indexation	425,571,632	374,519,733
Fee revenue	168,429,490	163,483,782
Fee expenses	(42,394,224)	(40,135,723)
Net Fee Income	126,035,266	123,348,059
Net income from financial operations	6,562,337	17,811,714
Net exchange gains (losses)	5,549,303	(5,777,584)
Other operating income	(1,278,595)	(69,539)
Provision for loan losses	(179,240,272)	(146,481,242)
Total Operating Income, net	383,199,671	363,351,141
Employee remunerations and expenses	(100,447,175)	(96,051,131)
Administrative expenses	(140,106,674)	(125,483,985)
Depreciation and amortization	(19,762,997)	(16,810,784)
Other operating expenses	(13,043,717)	(11,740,051)
Total Operating Expenses	(273,360,563)	(250,085,951)
Operating Income	109,839,108	113,265,190
Income from equity method investments in companies	469,655	508,395
Income before Income Taxes	110,308,763	113,773,585
Income tax expense	(31,814,667)	(30,410,733)
Profit (loss) from Banking Business	78,494,096	83,362,852
Profit (Loss)	558,904,194	678,031,990
Profit (loss), Attributable to:		
Owners of the parent	509,593,496	609,024,729
Non-controlling interests	49,310,698	69,007,261
Profit (Loss)	558,904,194	678,031,990
Earnings per share		
Basic earnings per share		
Basic earnings (loss) per share from continuing operations	0.21	0.25
Basic Earnings (Loss) per Share	0.21	0.25
Diluted Earnings per Share		
From continuing operations	0.21	0.25
Diluted Earnings (Loss) per Share	0.21	0.25

²⁷ Banking Services does not include Promotora CMR nor CMR Argentina.

	31-dec-2017	31-dec-2016
	TH CLP	TH CLP
Assets		
Non-banking Businesses		
Current assets		
Cash and cash equivalents	232,027,185	201,319,634
Other financial assets	16,161,447	27,732,890
Other non-financial assets	109,045,269	97,553,041
Trade and other accounts receivable	1,994,962,974	1,798,336,795
Accounts receivable from related parties	8,568,867	6,135,088
Inventory	1,238,138,783	1,207,253,018
Tax assets	76,587,049	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	3,675,491,574	3,414,236,909
Non-current assets or disposal groups classified as held for sale or as held for distribution to owners	10,866,456	3,122,099
Non-current assets or disposal groups classified as held for sale or as held for distribution to owners	10,866,456	3,122,099
Total Current Assets	3,686,358,030	3,417,359,008
Non-current Assets		
Other financial assets	65,197,065	89,370,624
Other non-financial assets	70,879,258	57,510,726
Accounts receivable	275,089,053	240,706,433
Investments accounted for using the equity method	138,296,518	109,179,061
Intangible assets other than goodwill	283,201,043	270,110,558
Goodwill	504,394,517	519,353,212
Property, plant and equipment	2,544,923,700	2,500,304,700
Investment properties	2,908,777,208	2,822,793,360
Deferred tax assets	148,118,365	131,418,254
Total Non-current Assets	6,938,876,727	6,740,746,928
Total Assets – Non-banking Business	10,625,234,757	10,158,105,936
Banking Services Assets (Presentation)		
Cash and bank deposits	225,800,376	303,391,378
Transactions with settlement in progress	21,370,300	63,769,129
Financial assets held for trading	71,182,626	81,622,210
Financial derivative contracts	26,600,918	9,870,857
Loans and accounts receivable from clients	2,590,709,808	2,621,812,969
Available for sale instruments	657,507,389	566,071,349
Investments in companies	2,861,251	3,063,456
Intangibles	60,658,539	49,631,037
Property, plant and equipment	33,933,667	33,666,751
Current taxes	7,766,383	3,575,649
Deferred taxes	16,036,209	18,966,013
Other assets	30,501,854	27,743,273
Total Bank Services Assets	3,744,929,320	3,783,184,071
Total Assets	14,370,164,077	13,941,290,007

	31-dec-2017	31-dec-2016
	THCLP	THCLP
Net Equity and Liabilities		
Non-banking Business		
Current Liabilities		
Other financial liabilities	834,648,234	1,072,094,075
Trade and other accounts payable	1,115,612,549	1,047,625,370
Accounts payable to related parties	7,636,329	6,486,465
Other current provisions	14,296,634	13,230,417
Current tax liabilities	37,030,912	37,282,432
Employee benefits provisions	138,464,318	130,056,422
Other non-financial liabilities	162,127,277	149,922,113
Total Current Liabilities	2,309,816,253	2,456,697,294
Non-current Liabilities		
Other financial liabilities	3,006,175,090	2,691,007,234
Other liabilities	1,081,931	1,231,300
Other long-term provisions	11,045,759	12,875,808
Deferred tax liabilities	568,622,314	563,394,385
Employee benefits provision	32,997,676	29,144,287
Other non-financial liabilities	45,681,427	41,461,450
Total Non-current Liabilities	3,665,604,197	3,339,114,464
Total Non-banking Business Liabilities	5,975,420,450	5,795,811,758
Banking Services Liabilities (Presentation)		
Deposits and other demand liabilities	543,154,221	427,700,255
Transactions with settlement in progress	15,139,196	57,822,039
Time deposits and other term deposits	1,987,726,066	2,016,697,359
Financial derivative contracts	31,181,315	9,348,660
Due to banks	81,391,043	116,723,248
Debt instruments issued	242,256,771	263,987,879
Other financial obligations	130,641,388	145,507,995
Current taxes	-	1,214,607
Provisions	1,669,445	2,342,153
Other liabilities	68,126,678	55,776,934
Total Banking Services Liabilities	3,101,286,123	3,097,121,129
Total Liabilities	9,076,706,573	8,892,932,887
Net Equity		
Issued capital	533,409,643	533,409,643
Retained earnings	4,183,008,108	3,872,333,532
Share premium	93,482,329	93,482,329
Own shares in portfolio	(27,042,749)	(35,125,632)
Other reserves	(383,842,804)	(283,783,440)
Equity attributable to owners of the parent	4,399,014,527	4,180,316,432
Non-controlling interests	894,442,977	868,040,688
Total Equity	5,293,457,504	5,048,357,120
Total Equity and Liabilities	14,370,164,077	13,941,290,007

	31-dec-2017	31-dec-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	9,600,223,865	9,148,996,394
Classes of payments		
Payment to suppliers for supplying goods and services	(7,392,342,971)	(7,184,057,019)
Payments to and on account of employees	(1,045,665,138)	(964,755,853)
Income taxes refunded (paid)	(154,680,844)	(155,870,237)
Other cash inflows (outflows)	(209,188,043)	(211,879,345)
Subtotal net cash flows provided by Non-banking Business operating activities	798,346,869	632,433,940
Banking Services (Presentation)		
Consolidated net income (loss) for the period	78,494,096	83,362,852
Charges (credits) to income that do not involve cash movements:		
Depreciation and amortization	19,762,997	16,810,784
Credit risk provision	204,498,683	177,762,330
Profit losses from equity method investments	(469,655)	(508,395)
Other charges (credits) that do not involve significant cash flow movements	31,814,667	30,410,733
Net change in interest, indexations and fees accrued on assets and liabilities	(6,403,651)	1,922,505
Changes in assets and liabilities affecting cash flow:		
Net increase in loans and accounts receivable from clients	(171,296,527)	(328,744,210)
Net decrease in instruments held for trading	(18,892,461)	17,632,999
Increase in deposits and other demand obligations	115,453,966	106,006,887
Increase in deposits and other time deposits	(23,320,615)	32,652,239
Increase in obligations with banks	(35,332,205)	26,838,809
Other use of cash	(20,717,617)	(34,627,746)
Subtotal net cash flows provided by (used in) Banking Services operating activities	173,591,678	129,519,787
Net cash flows provided by operating activities	971,938,547	761,953,727
Cash flows provided by (used in) investing activities		
Non-banking Business (Presentation)		
	(25,737,222)	-
Proceeds from disposal of property, plant and equipment	2,251,308	53,875,552
Additions to property, plant and equipment	(375,895,985)	(316,211,151)
Additions to intangible assets	(43,739,158)	(40,362,986)
Additions to other long-term assets	(157,183,611)	(138,983,678)
Dividends received	5,201,313	720,474
Interest received	15,541,228	11,145,597
Other cash inflows (outflows)	(13,431,348)	22,031,969
Subtotal net cash flows used in investing activities in the Non-banking Business	(592,993,475)	(407,784,223)
Banking Services		
Net (Increase) decrease in investment securities available for sale	(92,016,465)	(141,502,572)
Additions to property, plant and equipment	(33,890,115)	(30,982,299)
Dividends received from investments in societies	527,972	78,697
Other sources of cash	447,989	555,554
Subtotal net cash flows provided by (used in) Banking Services investing activities	(124,930,619)	(171,850,620)
Net cash flows provided by (used in) investing activities	(717,924,094)	(579,634,843)
Cash flows provided by (used in) financing activities		
Non-banking Business		
Proceeds from issuance of shares	6,924,284	11,081,793
Payments to acquire own shares	10,929,316	(26,493,283)
Proceeds from long-term loans	362,571,213	898,610,084
Proceeds from short-term loans	2,362,155,656	2,434,950,996
Total proceeds from loans	2,724,726,869	3,333,561,080
Loans to related parties		
Payment of loans	(2,622,413,341)	(2,991,885,852)
Payment of financial lease liabilities	(18,352,153)	(18,031,378)
Dividends paid	(215,061,388)	(215,513,372)
Interest paid	(166,699,508)	(168,467,368)
Other cash inflows (outflows)	(2,967,781)	(126,887,026)
Subtotal net cash flows provided by (used in) Non-banking Business financing activities	(282,913,702)	(202,635,406)
Banking Services (Presentation)		
(Redemption) Letters of credit issuance	(7,023,624)	(7,839,670)
Bond payments and other long term loans	(21,731,107)	(30,059,945)
Other	(7,871,902)	(4,633,869)
Subtotal net cash flows provided by (used in) Banking Services financing activities	(36,626,633)	(42,533,484)
Net cash flows used in financing activities	(319,540,335)	(245,168,890)
Net increase in cash and cash equivalents, before the effect of changes in the exchange rate	(65,525,882)	(62,850,006)
Effects of changes in the exchange rate on cash and cash equivalents	-	-
Effects of changes in the exchange rate on cash and cash equivalents	(15,508,194)	(22,216,407)
Net increase (decrease) in cash and cash equivalents	(81,034,076)	(85,066,413)
Cash and cash equivalents at beginning of period	575,992,741	661,059,154
Cash and cash equivalents at end of period	494,958,665	575,992,741

Cash Flow – Chilean Operations (CLP million)

December 2017	Department Stores	Home Improvement	Supermarkets	Promotora CMR	Banco Falabella	Plaza S.A.
Cash flow from operating activities	(8,516,812)	140,375,188	32,364,361	(29,505,120)	54,788,677	196,107,707
Cash flow from investing activities	(125,384,633)	(64,940,681)	(25,659,642)	-	(64,824,520)	(162,237,471)
Cash flow from financing activities	139,219,667	(70,539,797)	(4,952,569)	31,781,220	(45,070,726)	(28,468,836)
Increase (decrease) in cash and cash equivalents	5,318,222	4,894,710	1,752,150	2,276,100	(55,106,569)	5,401,400
Impact of exchange rate differences on cash and cash equivalents	(620,785)	78,654	(28,917)	121,863	-	902,557
Cash and cash equivalents at the beginning of the period	45,426,696	16,786,267	10,134,351	24,300,867	199,466,866	21,736,409
Cash and cash equivalents at the end of the period	50,124,131	21,759,631	11,857,584	26,698,830	144,360,297	28,040,366

December 2016	Department Stores	Home Improvement	Supermarkets	Promotora CMR	Banco Falabella	Plaza S.A.
Cash flow from operating activities	229,860,500	161,899,706	30,406,009	(184,173,155)	108,229,011	191,013,000
Cash flow from investing activities	(34,632,072)	(52,580,437)	(30,604,629)	-	(142,842,834)	(83,321,000)
Cash flow from financing activities	(185,324,622)	(112,946,499)	(223,480)	195,165,938	(51,873,446)	(111,466,000)
Increase (decrease) in cash and cash equivalents	9,903,806	(3,627,230)	(422,100)	10,992,783	(86,487,269)	(3,774,000)
Impact of exchange rate differences on cash and cash equivalents	(698,740)	(1,133,490)	(46,975)	14,638	-	(6,666,000)
Cash and cash equivalents at the beginning of the period	36,221,630	21,546,987	10,603,426	13,293,447	285,954,135	32,176,000
Cash and cash equivalents at the end of the period	45,426,696	16,786,267	10,110,817	24,300,867	199,466,866	21,736,409

Cash Flow – International Operations (CLP million)

December 2017	Peru	Colombia	Argentina	Brazil
Cash flow from operating activities	256,407,938	25,263,218	(15,641,352)	(3,025,767)
Cash flow from investing activities	(147,011,455)	(20,760,067)	(6,965,399)	(36,250,505)
Cash flow from financing activities	(153,397,860)	7,023,164	23,900,201	39,627,021
Increase (decrease) in cash and cash equivalents	(44,001,378)	11,526,315	1,293,450	350,749
Impact of exchange rate differences on cash and cash equivalents	(7,661,544)	(5,448,200)	(758,741)	(552,922)
Cash and cash equivalents at the beginning of the period	203,524,363	33,809,359	4,417,822	2,541,631
Cash and cash equivalents at the end of the period	151,861,441	39,887,474	4,952,531	2,339,458

December 2016	Peru	Colombia	Argentina	Brazil
Cash flow from operating activities	118,495,000	67,414,000	(14,556,180)	(19,421,977)
Cash flow from investing activities	(143,922,000)	(40,506,000)	(6,799,194)	(9,335,647)
Cash flow from financing activities	26,195,000	(19,564,039)	20,888,073	28,652,651
Increase (decrease) in cash and cash equivalents	768,000	7,343,961	(467,301)	(104,973)
Impact of exchange rate differences on cash and cash equivalents	(8,466,614)	(6,834,000)	(1,059,175)	666,315
Cash and cash equivalents at the beginning of the period	211,222,809	33,298,698	5,944,298	1,985,208
Cash and cash equivalents at the end of the period	203,524,362	33,809,358	4,417,822	2,546,459

Definitions for the Financial Business Units

Selected Balance Sheet Accounts	
Demand deposits	Deposits in current and saving accounts, and other demand deposits.
Other financial liabilities	Debt instruments issued, bank credits and other financial obligations.
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 primary 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 - CMR	Administrative expenses over gross profit (excluding credit risk cost)
Efficiency ratio - Banks	Operating expense over operating revenue
ROAE - Bancos	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 - Bancos	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.





S.A.C.I. Falabella

Dirección:

Manuel Rodríguez Norte 730
Santiago, Chile

Contactos:

Andrea González Bayón / Constanza Saver
Relación con Inversionistas
Teléfono: +56 (2) 2487-3910
E-mail: inversionistas@falabella.cl

Website:

www.falabella.com/inversionistas

