



Over the period 2018-2021:

SACI Falabella plans to invest US\$ 3.900 million in the region

- This capex considers projects in logistics infrastructure and systems, as well as store's expansions and remodeling, which seek to enhance the omnichannel operation and increase efficiency. At the same time, the company plans to open 108 stores and eight shopping centers. The company will invest US\$ 984 million 2018.

Santiago, January 8th, 2018.- SACI Falabella announced plans to invest US\$3.900 million from 2018 through 2021 in order to develop its omnichannel strategy, consolidating its presence in the region and deepening its commercial offering through its private labels and exclusive brands.

The investment plan has as a priority to increase differentiation and optimize the omnichannel strategy, seeking full integration between the digital channel and the physical network of stores in the different business units, through investments in logistics, information technology (IT) and remodeling.

Approximately 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 consistent experience across all channels. At the same time, 31% of resources will be used to develop the potential of the existing store network through expansions and renovations focused on improving consumer experience, strengthening the positioning of private brands and developing click & collect spaces throughout the stores network.

The remaining 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.

"This investment plan aims to continue deepening the digital transformation of the different business units, the continuous improvement model, and the integration with the stores network, in order to better serve our customers", said Sandro Solari, Chief Executive Officer of SACI Falabella.

During 2018, the company projects investments for US\$ 984 million and plans to inaugurate a new distribution center in Chile, 23 stores and three shopping centers in the region.



By year-end 2017, SACI Falabella had 491 stores and 41 shopping centers in the region. During the year, the company opened 17 stores: nine in Chile, five in Peru, two in Brazil and one in Colombia. In terms of format, the company opened nine supermarkets, six home improvement stores and two department stores. SACI Falabella also inaugurated two shopping centers: one in Arequipa, Peru and other in Santiago, Chile. At the same time, two stores were closed, one in Chile and one in Brazil.

In 2017, SACI Falabella continued to invest in the expansion and remodeling of existing stores, highlighting the conversion of three Dicico stores to Dicico Multi in Brazil; and the full remodeling of the Falabella stores of Concepción Centro and Valdivia in Chile, of San Miguel in Peru and of the Women's and Junior Women's department in Medellin, Colombia and Plaza El Trebol in Chile. In addition, five Tottus stores were remodeled in Chile and 13 in Peru, as well as minor investments in other stores in the region.

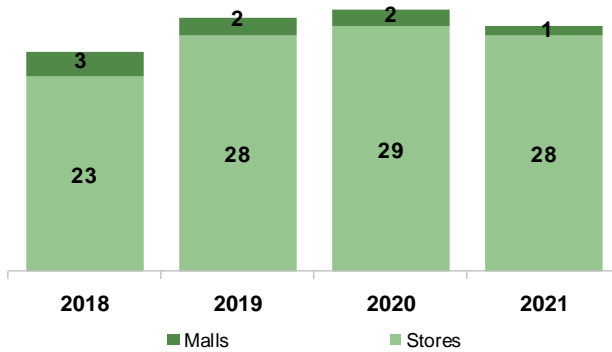
The company also made significant investments in logistics and IT during the period. Progress was made in the implementation of a WMS (warehouse management software) in both, department stores and home improvement, for the entire region. In Chile, the picking system of the Sodimac distribution center was automatized. Falabella.com launched a new website in Chile, Peru, Colombia and Argentina, which improved user experience and the conversion rate. The financial business also allocated resources to enhance their digital transformation. A new banking core system was implemented in Banco Falabella Peru and a new core credit card software in Colombia and Argentina, the risk assessment process was automatized and the omnichannel strategy deepened by the launch of new functionalities for mobile apps, of new private websites in Colombia & Peru, and the implementation of self-service kiosks in their branches.

With operations in Chile, Peru, Colombia, Argentina, Brazil, Uruguay and Mexico, SACI Falabella operates five business units: department stores, home improvement, supermarket, real estate and financial services. SACI Falabella is also the first retailer in Latin America to be included in the Dow Jones Sustainability World Index (DJSI World), which tracks the leading sustainability-driven companies. Revenues for the last 12 months, as of September 2017, reached US\$13.832 million.

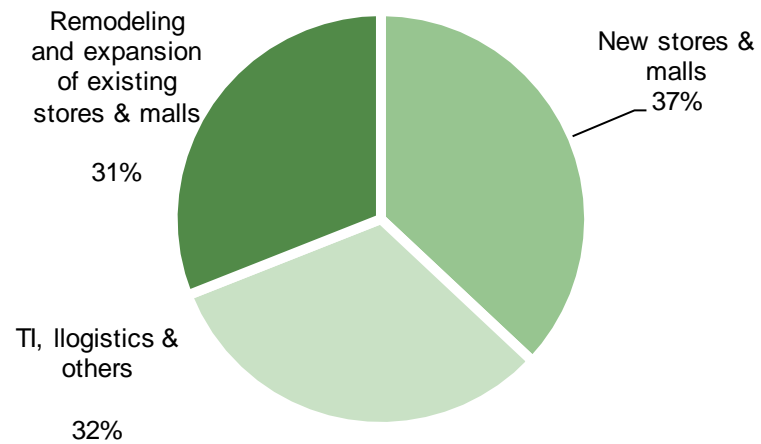
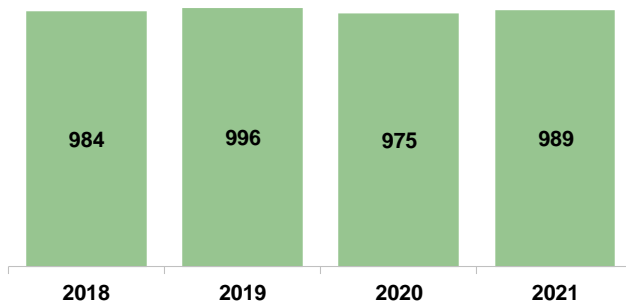


Investment Plan 2018-2021

New stores and malls



Investment plan (US\$ million)



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



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

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