



Empresas Falabella signed an agreement with IKEA for the development of its concept in Chile, Peru and Colombia

- The first store, together with the e-commerce operation, would open in Santiago in 2020 and later in Bogotá and Lima.

Delft, The Netherlands, May 17th 2018.- SACI Falabella signed a memorandum of understanding (MOU) with Inter IKEA Systems B.V., owner of the IKEA Concept and the worldwide IKEA franchisor, for the development and operation of the first IKEA stores in South America.

The agreement contemplates the opening of at least nine stores in Chile, Colombia and Peru in the next 10 years, along with the development of the online channel for the three countries. According to Empresas Falabella, the estimated investment will total US\$ 600 million. The first of these stores is expected to open in the city of Santiago by end of 2020. Openings in Bogotá and Lima will follow.

The CEO of SACI Falabella, Sandro Solari, noted the company's satisfaction for partnering "with one of the most recognized and successful brands worldwide that will allow us to offer a unique proposal, consistent with our differentiation strategy, bringing new solutions that improve everyday life of our customers".

The CEO of Inter IKEA Group, Torbjörn Lööf, said that "we are very excited to bring IKEA to South America together with Empresas Falabella given their experience and leadership in the region. Together we'll work to make IKEA a loved and meaningful brand for the people in Chile, Colombia and Peru".

Through different store formats, Empresas Falabella has developed a furniture proposal for years, especially through its Sodimac home improvement unit and its Homy format in Chile. "We can leverage on the experience of our team that will be very relevant in this great project", said Enrique Gundermann, CEO of Sodimac. "This partnership will result in a wider offering of home furnishing products, functional, well-designed, and with low prices so that many of our customers can afford them", he added.

IKEA

Inter IKEA Group consists of three core businesses: Franchise, Range & Supply and Industry. Within the Franchise business, Inter IKEA Systems B.V. is the owner of the IKEA Concept and the worldwide IKEA franchisor. It develops and offers the IKEA Concept to IKEA franchisees worldwide, enabling the long-term fulfilment of the IKEA business idea. In the Range & Supply business, IKEA of Sweden AB is responsible for developing, designing and producing home furnishing solutions to address the everyday needs of the many people. In addition, IKEA Supply AG is the wholesale company that supplies the IKEA franchisees with IKEA products. Lastly, the Industry business is a manufacturer of wood based IKEA Products.

Empresas Falabella



Empresas Falabella has operations in Chile, Peru, Colombia, Argentina, Brazil, Uruguay and Mexico, through five business units (department stores, home improvement, supermarkets, real estate and financial services). The company ended 2017 with 494 stores and 42 shopping centers.

Empresas Falabella is traded on the Santiago Stock Exchange and is part of the Dow Jones Sustainability World Index (DJSI), which groups the leading companies committed to sustainable development. The company is also included in the DJSI Emerging Markets, DJSI Chile and the recently created DJSI MILA. For more information about Empresas Falabella, see www.falabella.com/inversionistas.