



SACI Falabella informs acquisition of 100% of Linio and announces capital increase

- Linio is a regional marketplace with operations in eight countries, and strong brand positioning in Mexico, Colombia and Peru.
- The capital increase will be used to finance the acquisition and strengthening Linio, as well as to accelerate investments in logistics and technology with the aim of consolidating Falabella's leading e-commerce position in the Region.

Santiago, August 1, 2018.- Within its strategy to strengthen its e-commerce proposition, Falabella acquired 100% of the shares of Linio, one of the main marketplace operators in the region, for a value of US\$ 138 million. Linio, which operates in eight countries, totaled US\$ 137 million in annual sales (net merchandise value), and has relevant presence in Mexico, Colombia, Peru, Argentina and Chile, in addition to having offices in the USA and China. Linio enjoys high brand recognition and an important customer base, it has a team with strong experience in the marketplace format, and a proven technological platform in which a large number of suppliers sell their products.

"With this acquisition, the Company takes another step towards its goal of consolidating its position as a leading e-commerce in the region. Linio will boost sales of Falabella Retail, Sodimac and Tottus, becoming a common display for the products of the group's companies, which will also continue to strengthen their own digital e-commerce sites. In addition, Linio will allow us to offer a broader assortment from different suppliers that already sell through its platform" said Gaston Bottazzini, CEO of SACI Falabella.

Linio will maintain its brand and teams. Falabella will enhance this company, by adding its own capabilities: logistics, store network, access to suppliers, product assortment, customer knowledge and ease of payment methods. Gonzalo Somoza, corporate general manager of Falabella Retail, will be responsible for leading the collaboration efforts.

To finance this operation and accelerate investments in logistics and technology, together with the development of Ikea in Chile, Peru and Colombia, and to increase its ownership in Construdecor, SACI Falabella will call for a Shareholders' Meeting to propose a capital increase of 84,3 million shares, equivalent to approximately US\$ 800 million.

To support this capital increase, the Controlling Shareholders have confirmed that they will subscribe approximately US\$ 100 million, leaving the remainder to be placed between minority shareholders and the market.

With the aim of increasing the size and attractiveness of this placement for national and international funds that demand significant amounts, in the Meeting it will be to propose



to authorize that all shareholders that want to sell at least 18 million shares, to place a secondary offering in simultaneous with the capital increase. The HCQ group (Familia Cúneo Solari), subscriber of the controlling shareholders' agreement, is the only signee of the agreement which has reported its intention to place a secondary offer, by selling 21 million shares.

The president of SACI Falabella, Carlo Solari, commented that "the capital increase will allow us to accelerate our process of digitalization and regional growth at the service of our customers, offering them new products through various channels, and thus continue to build the leading retail company of Latin-America".

Empresas Falabella has presence in Chile, Peru, Colombia, Argentina, Brazil, Uruguay and Mexico, through five business units (department stores, home improvement, supermarkets, real estate and financial services). At the end of March, the company operated 494 stores and 42 shopping centers in Latin America. The company is part of the Dow Jones Sustainability Index (DJSI World), which brings together the main companies that lead efforts in responsible growth internationally. It was also selected in the indices DJSI Emerging Markets, the DJSI Chile and the newly created DJSI MILA. More information about Falabella Companies at www.falabella.com/inversionistas

Linio was founded in 2012. It is a marketplace with presence in Chile, Peru, Colombia, Argentina, Mexico, Venezuela, Ecuador and Panama. Through its platform, linio.com, provides solutions to individuals and companies that buy and sell products online. Linio's annual sales (NMV) reached US\$ 137 million.