



Over the period 2019-2022:

Falabella will invest US\$ 4.2 billion to continue building a digital and physical ecosystem

Santiago, January 8th, 2019.- Falabella announced an organic investment plan totaling US\$4,200 million for the period 2019-2022, to continue building a digital and physical ecosystem that provides a full response to its customer's demands, consolidate its presence in the Region; and broaden its commercial offering. With this, the company seeks to simplify Latin Americans' lives, by transforming their shopping experiences.

Of the total, 37% (US\$ 1,554 million) will be allocated to the development of IT and logistics projects. Through these investments, the company plans to improve customization by leveraging in Data Analytics and Artificial Intelligence; strengthen its cybersecurity and boost the growth of Linio, the regional marketplace acquired in August 2018.

34% of the plan (US\$ 1,428 million) will be invested in further consolidating the regional presence of all its business units. It involves the opening of five shopping centers and 95 stores mainly in areas with no presence, including the development of IKEA in Chile, Peru and Colombia.

At the same time, 29% (US\$ 1,218 million) will be allocated to optimize the existing network of stores and shopping centers through expansions and refurbishments to improve the positioning of own brands, continue developing Click & Collect's areas and enable a seamless experience in all its channels.

Specifically in 2019, Falabella will invest US\$ 1,084 million to, among other projects, open 23 stores, two shopping centers in the Region and a new distribution center for white goods in Peru that will serve all formats in that country.

Excluding currency variation (by using for 2019 the same exchange rate than in 2018), the plan is 11.2% higher than the plan announced the previous year and will be supported by additional operating expenses focused on the digital transformation of the company.

Falabella's CEO, Gaston Bottazzini, explained that "Falabella is making the investments today that will sustain the company's future growth. We are building an ecosystem of integrated services, allowing us to serve our customers throughout the region when they want and in the format that suits them best. We are convinced that this will consolidate Falabella as the most relevant digital and physical ecosystem in Latin America."

Investment highlights 2018

During the past year, Falabella made significant investments aimed at improving shopping experience.

In January, the first Tottus food production center with a focus on bakery, pastry and ready meals production was opened in Huachipa, Lima.



In August, the company acquired Linio, one of the main regional marketplaces. By December, part of the Falabella, Sodimac and Tottus assortment was already uploaded in the platform. Currently the company is making progress in incorporating additional capabilities into Linio; which include the automatic integration of the retail assortment into Linio's sellers center; providing fulfillment services such as click & collect in stores and kiosks located in Mallplaza shopping centers; and integrating CMR into the platform. With this, CMR customer's will get the same benefits when buying in Linio than in the other formats of the group and Linio will profit from better payment processing capabilities.

In November, Falabella Retail's new omnichannel distribution center was inaugurated in Santiago, Chile. The project - which took about 18 months to be build and involved an investment of more than US\$ 100 million - was designed to enhance the fulfillment of small and medium products, and serve both, the stores and online channel.

Meanwhile, the financial business continued to increase its customer's interaction through digital channels. Digital branches were opened in the region and new functionalities were launched on mobile apps, which resulted on the number of active apps surpassing 1.5 million. In Chile, CMR was integrated into Banco Falabella. Also in Chile, the financial business launched a digital giftcard which allow customers to redeem loyalty points online; enable customers to increase their credit lines at the check-out process of Falabella.com and also, to get a CMR card totally online on the same site.

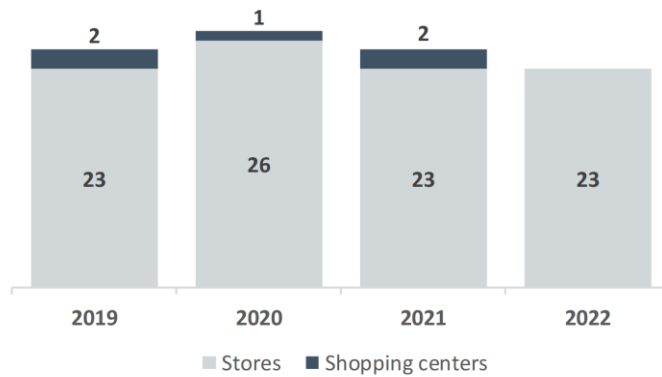
On the other hand, the company continued to invest in expansions and refurbishments, including the conversion of sixteen Dicico into Sodimac Dicico in Brazil; the opening of the first Tottus Vecino in Peru; expansions at Mallplaza Vespucio's medical building, Mallplaza Los Dominicos and refurbishments at Mall Plaza Los Angeles.

Falabella ended 2018 with 504 stores and 43 shopping centers. During the year, 20 stores were opened, of which eight were located in Chile, five in Peru, three in Colombia, one in Argentina, and three in Mexico. These openings corresponded to nine home improvement stores, eight supermarkets and three department stores. Two shopping centers were also opened: one in Arica, Chile and another in Manizales, Colombia. At the same time, seven stores were closed, of which one was located in Peru, two in Chile and four in Brazil.

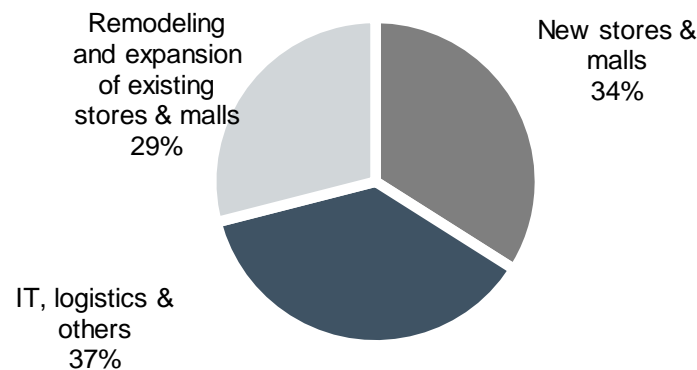
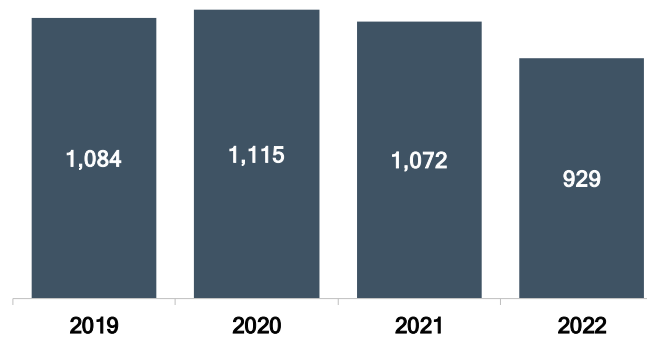


Investment plan 2019-2022

New stores and shopping centers



Investment plan (US\$ million)



Note: The investment plan includes 100% of expected capex for S.A.C.I. 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: <http://investors.falabella.com>.

Falabella is present in Chile, Peru, Colombia, Argentina, Brazil, Uruguay and Mexico, through five business units (department stores, home improvement, supermarkets, real estate and financial services). It is the first Latin American retailer to be included in the Dow Jones Sustainability World Index (DJSI), which brings together the world's leading companies committed to sustainable development. 3Q18 LTM consolidated revenues reached US\$13.4 billion.