

Santiago, August 20, 2018

MATERIAL EVENT NOTICE 08/18

S.A.C.I. FALABELLA

SECURITIES REGISTRY No. 582

Pursuant to the provisions of article 9 and the second paragraph of article 10 of Law No. 18045 on the Securities Market and General Regulation No. 30 of the Financial Market Commission (the “**CMF**”), and being duly authorized to this effect, I hereby advise the following to the market generally and to the CMF as a **MATERIAL EVENT** in relation to S.A.C.I. Falabella (the “**Company**”):

At a special shareholders’ meeting of the Company held today (the “**Shareholders’ Meeting**”), the following action was taken:

- 1) Increase capital in the Company in the sum of \$505,188,141,300, by issuing 84,330,000 new cash shares without par value, all of the same and only series in existence, which will have to be subscribed for and paid up in pesos, lawful Chilean currency, within a maximum of three years as from the date of the Meeting, at the placement price and on such other conditions as agreed at the Shareholders’ Meeting. As a result of the capital increase, the capital of the Company shall be the sum of \$1,038,597,784,976, divided into 2,518,795,103 registered, single-series shares of stock without par value, of which \$533,409,643,676 has been paid, equivalent to 2,434,465,103 subscribed-for and paid-up shares of stock. To reflect this capital increase, article five and interim article one of the bylaws of the Company have been amended.
- 2) Authorize the Board of Directors of the Company to request the registration of the shares of stock that represent the capital increase in the Securities Registry kept by the CMF and in a securities exchange, for their public offering in Chile. Likewise, it was resolved that, concurrently with the offering of the new cash shares of stock to be conducted in Chile, the Board be authorized to decide on making a private offering thereof to qualified investors in the United States of America, without proceeding with the registration of such shares in said country, under Rule 144 A and Regulation S of the 1933 United States Securities Act. The Board was authorized on comprehensive terms to conduct all requisite acts to consummate the capital increase and the placement of the new shares of stock.
- 3) Authorize the Board to issue the new cash shares of stock and establish the final placement price therefor, provided that the placement commence within 180 days following the date of the Shareholders’ Meeting.
- 4) Authorize shareholder Inversiones Los Olivos S.A., upon meeting the requirements established by the Board, to sell up to 21,000,000 shares of stock currently outstanding and held by the same, in a simultaneous sales process in coordination with the placement of the 84,330,000 new cash shares of stock issued in connection with the capital increase. To this end, on even date herewith, the Company and Inversiones Los Olivos S.A. entered into a cooperation agreement for said over-the-counter, simultaneous and coordinated sale on the terms

described in the form of cooperation agreement that was made available for consultation by the shareholders on the webpage of the Company as from the date of publication of the first call to the Shareholders' Meeting.

Sincerely yours,

Gaston Bottazzini
General Manager
S.A.C.I. Falabella

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c.c.: Stock Exchange
Chilean Electronic Exchange
Brokers' Exchange
Banco de Chile/ Noteholders' Representatives
Banco Santander / Noteholders' Representatives