

Santiago, April 7, 2017

Dear Mr.
SHAREHOLDER

By agreement of the Board and in accordance with the statutes, an Ordinary Shareholders' Meeting has been convened for April 25, 2017 at 3:00pm, to be held in the Alamo BC Room at the Courtyard Hotel, located in Av. Kennedy 5601, Floor 7, Las Condes, Santiago.

The Meeting shall decide on the matters falling within its responsibilities, including the following:

- a. To approve: **(i)** The annual report, the Company's consolidated and audited financial statements; and, **(ii)** the opinion of the Company's external auditors; all relating to the year ended December 31, 2016.
- b. The dividend distribution for 2016.
- c. The Company's dividend policy.
- d. The complete re-appointment of the Board of Directors, as their statutory appointment period has expired.
- e. The directors remuneration.
- f. The appointment of external auditors for 2017.
- g. The appointment of risk rating agencies for 2017.
- h. The selection of the newspaper in which to publish the Company's publications required by the law.
- i. To receive a report on transactions between related parties during 2016, and those referred to in Chapter XVI of Law 18,046 on corporations.
- j. To receive a report on the Directors' Committee for 2016, to approve its expenditure budget and the remuneration of the Directors who are its members.

MEETING ATTENDANCE

Shareholders registered in the Company's Shareholder Register at midnight on the fifth business day prior to this Meeting, that is, midnight on April 18, 2017, shall be entitled to attend it. Powers of attorney, if any, shall be accepted on the day of the Meeting, when it is due to start.

PUBLICATION OF FINANCIAL STATEMENTS AND ANNUAL REPORT

Shareholders will find the Company's financial statements as of December 31, 2016, the external auditor's report, and all the information required for shareholders to exercise their voting rights, published on the Falabella web page (www.falabella.com/inversionistas/juntaaccionistas) with effect from April 7, 2017, especially the arguments that support the selection of the external audit firm, together with the specific proposal from the Board of Directors on this matter.

As required by Article 75 of Law 18,046 and Circular 444 issued by the Superintendent of Securities and Insurance, the Company's annual report and financial statements for the year ended December 31, 2016 will be made available to shareholders by publishing them on the Company's web site. www.falabella.cl.

DIVIDEND DISTRIBUTION FOR 2016

Propose to the Meeting that the amount of Ch\$ 131,055,035,562 is distributed as a final dividend of Ch\$ 54 per share from the distributable net income for 2016, which amounted to Ch\$ 493,715,777,135 (hereinafter, the "**2016 net income**"). When this dividend is combined with the interim dividend of Ch\$ 26 per share,

approved by the Board on October 25, 2016 and paid on November 29, 2016, it would amount to a total distribution of 39.3% for 2016. Also that the proposed final dividend is paid on May 9, 2017, to shareholders registered in the Shareholders Register on May 3, 2017, located at Huérfanos Street 770, Floor 22, Santiago, using the usual payment methods, which include bank deposits, payment by certified mail, and direct collection at branches of Banco de Crédito e Inversiones, BCI.

THE CHAIRMAN