

MANUAL FOR HANDLING INFORMATION OF INTEREST

S.A.C.I. FALABELLA

Pursuant to article 16 of Law No. 18.045 governing the Securities Market, and in compliance with the provisions in the General Rule No. 270, dated December 31, 2009, of the Superintendency of Securities and Insurance (SVS), the Board of Directors of S.A.C.I. Falabella (“**Falabella**”), in Board Meeting No. 826 held on March 30, 2010, approved the following Manual for Handling Information of Interest for the Market (the “**Manual**”).

1. PURPOSE OF THE MANUAL

The purpose of this Manual is to contribute to the transparency of the financial markets by establishing the policies, rules, regulations and mechanisms that Falabella and its subsidiaries (the “**Company**”) will use for handling their confidential or relevant information, which could be in the form of privileged or reserved information or information of interest, the way the latter is disseminated, and the way the Company’s Directors, Managers, Administrators and Main Executives handle securities transactions.

The Company’s securities transactions include those performed by the consignees of this Manual and controlled entities, directly or through third parties, and do not entail only Falabella shares, but all types of securities publicly offered by Falabella and its subsidiaries. Furthermore, securities whose price or result depend on, or are conditioned entirely, or to a significant extent, to the variation or evolution of the price of the Company’s securities, will be considered the Company’s public offer securities, as stipulated in the General Rule No. 269 of the SVS. To that end, it is understood that they are securities whose price or result depend on, or are conditioned to, the variation of the Company’s securities, in case more than half the price of the former depends on the price of the Company’s securities, such as derivatives, for example, whose underlying asset is one of the company’s securities.

The rules and regulations contained in this Manual are mandatory for its consignees. Those infringing these provisions, and not the Company, are liable for any non-compliance and they could be subject to sanctions of a civil, administrative or penal nature, regardless of, or in addition to, the sanctions contemplated in the following provisions.

2. COMPANY ENTITY ENTRUSTED WITH SETTING OUT THE MANUAL’S PROVISIONS

The Company entity entrusted with setting out the Manual’s provisions is the Board of Directors of Falabella. Hence, all amendments and updates must be agreed to by such entity.

3. **COMPANY ENTITY RESPONSIBLE FOR ENFORCING THE CONTENTS OF THE MANUAL**

The Administrative and Corporate Finances Manager of Falabella will be responsible for implementing the Manual and supervising compliance therewith. Part of his job will be to disseminate the Manual within the Company and its subsidiaries, ensuring that all consignees are thoroughly acquainted therewith. For such purposes, he must ensure that the Manual is distributed within the Company and its subsidiaries, clear up any doubts that may arise and communicate the start of the pre-established blocking periods to the consignees in a timely manner.

Any doubt or difficulty regarding the application, interpretation and/or compliance with the Manual, must be made known to the aforementioned Manager, who must submit it to the Board of Directors of Falabella in the next regular shareholders' meeting for it to come to a decision on the matter.

4. **SCOPE OF APPLICATION**

This Manual will be used by Directors, Managers, Administrators and Main Executives and such individuals who due to their position, activity or relationship to the Company have access, or can be presumed to have access, to its confidential or relevant information.

5. **DISCLOSURE OF TRANSACTIONS**

Notwithstanding full compliance with the legal and administrative rules and regulations in force, transactions involving public offer securities issued by Falabella or its subsidiaries, performed by the consignees of this Manual, either directly or through entities controlled by them, or through third parties, as well as such transactions performed by their spouses, if they are married in the community/marital property regime, their under-aged children or individuals under their guardianship, custody or under direct or indirect legal or judicial representation, must be reported to the Corporate Administrative and Finances Manager, who shall keep a confidential list detailing the transactions that are reported to him. The information provided must contain at least the data established in Appendix 1 hereof.

The consignees are reminded that they must comply in due time and form with the provisions of article 12 of Law 18.045 governing the Securities Market and the General Rule No. 269 of the SVS, informing such agency, through its SEIL module available on its web page www.svs.cl, and the stock exchanges, of all the transactions they perform with securities of the Company by the day after the transaction, at the latest. For such purposes, the consignees of this Manual who do not have an access code to the aforementioned module must request one from their stock brokers or Falabella's Corporate Administrative and Finance Manager. The consignee of the Manual is responsible for promptly requesting his access code for informing the SVS and the Stock exchanges of his transactions with the Company's public offer securities.

The consignees are also reminded that they must comply with Article 17 of Law 18.045 governing the Securities Market and the General Rule No. 277 of the SVS, which require

them to inform the stock exchanges in which the public price offers of the Company or entities that make up its business group are quoted, of their position in securities of such entities at the time they assume the position or leave it. In case said securities position is modified significantly, i.e. a change of more than 0.2% in the prices in question, surpassing 15,000 Unidades de Fomento, they must report such situation to the stock exchanges. All the above must be performed within a period of 3 working days.

Individuals, who wish to register their investment plans in securities issued by the Company for the purpose of making their future investments transparent, may submit them to the aforementioned Manager, who will keep them in custody under the strictest reserve and confidentiality.

Finally, pursuant to the provisions of Article 18 of Law 18.045 governing the Securities Market, the consignees of this Manual must submit a confidential monthly report to the Board of Directors of Falabella within the first five days of each month on their position in securities of the entity's most relevant suppliers, clients and competitors, including such securities they possess through directly controlled agencies or through third parties. The list of competitors, clients and suppliers which the Board of Directors of Falabella must keep up to date in accordance with standing rules and regulations will be used for such purposes.

6. CRITERIA APPLICABLE TO THE SECURITIES TRANSACTIONS OF FALABELLA AND ITS SUBSIDIARIES

Notwithstanding the legal provisions governing the use of privileged information, presumption of its possession and the duty of abstaining from performing transactions in public offer securities contained in the Securities Market Law, as well as the transaction blockage periods contained herein, which the consignees of this manual must comply with, there is freedom to perform transactions with the public offer securities of Falabella and its subsidiaries.

For the purpose of enforcing compliance with standing rules and regulations, it has been decided to establish blockage periods for performing transactions with the public offer securities of Falabella and its subsidiaries, as described below:

- a. No transactions in public offer securities issued by Falabella or its subsidiaries can be performed as of the beginning of the fifth day prior to the meeting of the Board of Directors in which the financial statements that must regularly be submitted to the SVS is discussed and approved, to the time such information is submitted to said Superintendency and the respective stock exchanges.
- b. Consignees who are aware of an essential fact must abstain from performing transactions with Company securities from the time they become aware of such essential fact until it is reported to the SVS or the respective stock exchanges.
- c. Consignees who are in possession of confidential information must abstain from performing transactions with Company securities if such confidential information could influence their price quotation, from the time they receive all or part of the confidential information until the time that such information is

informed to the public at large, or else until the information is no longer confidential.

The exercising of share subscription options granted pursuant to the Companies Law, No. 18.046, within the framework of compensation plans for the Company's workers and executives, and which must be carried out in specific periods, are exempt from the aforementioned blockage periods. The preferable subscription of Company shares which must be performed in a specific period, is also exempt from the blockage period.

7. **MECHANISMS FOR ONGOING DISSEMINATION OF INFORMATION OF INTEREST**

All information classified as being of interest to the Company must be published on the Falabella web site www.falabella.com in the section denominated "Investors."

In case the information of interest is disclosed to a specific sector of the market, the necessary measures will be adopted for publishing such information on the aforementioned web site as soon as possible, and within 24 hours following the disclosure to the specific sector of the market, at the latest.

8. **MECHANISMS FOR SAFEGUARDING CONFIDENTIAL INFORMATION**

The consignees of this Manual must maintain in strict reserve and confidentiality the Company's information they possess and which was revealed to them as such, and which by its nature can be assumed to be confidential information, until the time such information is communicated to the public by the established media. The confidential information may be revealed to other consignees of this Manual, to the extent that their knowledge of such information is necessary.

Notwithstanding the above, pursuant to the Securities Market Law and the General Rule No. 30 of the SVS, a list of the individuals in possession of the confidential information must be drawn up and updated as the information is revealed to other individuals.

Steps must be taken to store the confidential information safely, contemplating procedures to prevent it from being disclosed to, or acquired by third parties.

On receiving this Manual, each one of the consignees must subscribe the Confidentiality Agreement contained in Appendix II hereof.

9. **APPOINTMENT OF SPOKESMEN OR OFFICIAL REPRESENTATIVES**

The Chairman, the Deputy Chairman, the Corporate General Manager, the Corporate Development Manager and the Corporate Administration and Finance Manager are appointed as representatives of Falabella and official spokesmen of the Company.

In case the Company's information appears in the communications media, it shall be entitled to comment thereon. The mechanisms established herein will be followed for such purposes.

10. **SANCTIONS AND PROCEDURES**

The Board of Directors of Falabella will resolve any conflict in the application of the Manual, and will be entitled to appoint three of its members to investigate and resolve the conflict, proposing the corresponding sanctions, which will be definitively determined and applied thereby, with the exclusion of such directors that may be involved.

The proceeding will be brief and summary and must contemplate procedures assuring due process, such as the duality of parties, access to defense, submittal of proof and a founded and reasoned decision.

The sanctions that may be adopted by Falabella's Board of Directors include admonitions, reporting of the facts to the corresponding authorities, termination of employment contracts due to failure to comply with the duty of loyalty and integrity, among others that the Board may consider pertinent, given the seriousness of the infringement.

In cases of incompliance with the Company's securities transaction policies, a sanction in the form of a fine may be applied. Such fine must be at least 50% of the price assigned to the securities negotiated.

The aforementioned sanctions do not preclude the sanctions that are applicable pursuant to law, or the rules and regulations in force.

11. **DISSEMINATION MECHANISMS**

The Corporate Administration and Finance Manager will be responsible for distributing a copy of this Manual to each one of the consignees within the Company. This may be done via electronic mail, ensuring that the consignees sign Appendix II hereof.

This Manual must be permanently published on the Falabella web site.

12. **VALIDITY**

The Manual will be valid as of March 31, 2010, and annuls the entire Manual for Handling Information of Interest, dated June 1, 2008.

APPENDIX 1

INFORMATION REQUIRED ON SECURITIES TRANSACTIONS

1. Identification of the related individual who performed the operation.

1.1 Taxpayer Identification Number: the taxpayer identification number of the related individual must be entered, including the verifying digit.

1.2 First and Second Names or Company Name: the full name of the individual or the corporate name of the body corporate must be entered.

1.3 Relationship to the Company: the relationship to the Company of the individual performing the transaction must be entered.

2. Information on the transaction

2.1 Date of the transaction: the day, month and year on which the transaction was performed must be entered.

2.2 The date on which the transaction was reported: the day, month and year in which the transaction was reported to the Open Corporation must be entered.

2.3 Type of transaction: the type of transaction must be entered, such as purchase or sale of securities, subscription of shares of a new issuance, acquisition or conveyance of securities due to payment in kind, donations, or any other act whereby the ownership of securities is acquired or transferred.

2.4 Type of security: the type of security negotiated must be entered.

2.5 Transaction performed with shares of the open corporation originating the obligation to inform: it must be stated whether the transaction was performed with shares of the corporation or with other securities.

2.6 Identification of the instrument: in case the security is quoted on the stock exchanges or has a mnemotechnical or other type of code that enables its identification.

a) Series: the series of the instrument must be entered, if pertinent.

b) Number of units negotiated: the number of par units negotiated must be entered.

c) Unitary price: the average weighted unitary price, or rate at which the transaction was performed, must be entered.

d) Total amount of the transaction: the total amount of the transaction in pesos must be entered.

2.7 Final percentage obtained after the transaction: the approximate percentage of the capital of the company or entity that the participation of the individual performing the transaction represents must be entered in case of transactions involving shares or capital instruments.

APPENDIX II

CONFIDENTIALITY AGREEMENT

Through this instrument, the undersigned, in his capacity as _____ (position) of _____ (company) undertakes to keep confidential information under the strictest reserve and confidentiality, as defined in the Manual for Handling Information of Interest of S.A.C.I. Falabella, to which he has access due to his position, undertaking to use such information solely for the benefit of the Company and not for purposes other than those related to the carrying out of his duties.

He also undertakes to take the necessary precautions for maintaining the confidentiality and secrecy of the information and disclose it to other executives, advisors, consultants or collaborators only to the extent that they must be aware of it for performing their duties.

In case of any legal provisions or judicial rulings that obligate the undersigned to make the confidential information known to the courts of justice or agencies or entities empowered by law to request the confidential information, the undersigned is obligated to immediately inform the Company of such circumstances.

The obligations set forth herein shall be valid even when the undersigned no longer renders services in S.A.C.I. Falabella or its subsidiaries.

Signature _____

Name: _____

Taxpayer Identification Number: _____

Address: _____

In _____ (city), on ____ , _____