



High demand and a large participation of foreign investors sets the end to Falabella's issuance

- *Stock demand was 5.5 times higher than the offer, equivalent to an excess of demand of more than US\$2,400 million, mainly led by international funds which acquired 58% of the total placement.*
- *After closing the book, the stock price was set at \$5,250. This represents a 0.5% discount compared to previous day closing price and a 2% discount against last month's average.*

Friday, October 19th, 2018. With a demand that exceeded the offer in more than 5.5 times, equivalent to an excess of demand of more than US\$2,400 million and a total demand of US\$3,026 million, Falabella concluded its offering. With this, the company's free float increased 11%, diversifying its stakeholders, to which important international funds were added.

Through a book building process, the company auctioned 49.7 million new shares, together with 21 million shares in secondary offer, owned by Inversiones Los Olivos S.A. The board of directors of Falabella set the share price at \$ 5,250 each, totaling US \$ 550 million. Of which, 58% was subscribed by international investors, including hedge funds and long-term institutional funds. The remainder (42%) was subscribed by local investors, including AFPs, insurance companies, mutual funds and retail.

To present to foreign investors the strategy of the company, which seeks to transform Falabella into a digital ecosystem leveraged on its physical capabilities, three teams were deployed simultaneously in nine cities in Europe, the United States and Latin America, where they met with almost 100 institutions.

"In a context of high volatility in global markets, the high level of reception we received is a signal of confidence in the strategic plan we are adopting to consolidate Falabella as the leading online and offline platform in Latin America", said Gaston Bottazzini, CEO of SACI Falabella.

He also added, "we are very pleased to have gone through this process, because it gave us the opportunity to share our strategy with both the current shareholders and those who join as of today. The meetings with them allowed us, in addition, to receive their feedback and, from that, to have an investor base that supports and is committed to our long-term strategy."

"With this operation we diversify the company's shareholder base, with a high participation of international funds that are mostly incorporated as new shareholders, which is in line with our objective of having an increasingly international company. In this process it helped us that the company has made 3 placements of international bonds in the last 5 years, together with our investor relations' strategy and permanent efforts. All that previous work enable us to attract the interest of important foreign and local funds", commented Alejandro González, CFO of SACI Falabella.



After closing the book building process, this morning the auction was materialized on the Santiago Stock Exchange and the preemptive rights period began for all those who make up the current base of shareholders of the company. This period will be extended for 30 days, until November 17th of this year. It will be during this period that the controlling shareholders will subscribe the nearly US\$ 100 million committed since the beginning of the process. Once concluded, the Company will raise US\$ 656 million.

The resources raised in the capital increase will be used to transform Falabella into a digital ecosystem with strong physical capabilities, which will provide a comprehensive response to customers. The plan to achieve this includes, among others, the purchase and development of Linio; the development of the Ikea franchise in Chile, Peru and Colombia; the optimization of logistics and epayment solutions; and investments in cybersecurity and business intelligence to deliver a personalized offer.

S.A.C.I. Falabella is present in Chile, Peru, Colombia, Argentina, Brazil, Uruguay and Mexico, through six business units (department stores, home improvement, supermarkets, real estate, financial services and market place). At the end of June, the company operated 496 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, DJSI Chile and DJSI MILA. More information about Falabella Companies at investors.falabella.com