1Q17

Earnings Release

Webcast & Información sobre Teleconferencia:
Viernes 26 de mayo 2017
12:00 Chile & 12:00 EST

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1Q17 Results: Healthy revenue and profitability, despite challenging macroeconomic environment, one-offs in some markets and currency depreciation.

- Revenues reached CLP 2,523,563 million, an increase of 1.7% over 1Q16 (+3.7% in constant exchange rate), mainly explained by the growth in Department Stores in Chile (+5.9% and SSS +4,9%), Shopping Centers in Chile (+13.8%) and Financial Services in Argentina and Peru (+56.1% and 8.3%, respectively, in CLP).
- Results were impacted by a challenging regional macroeconomic backdrop, coupled with specific factors that affected certain markets (increase VAT in Colombia, severe floods in Peru tied to Coastal El Nino phenomenon, Brazilian states' debt moratorium) and depreciation of the Argentine Peso +14.6%) and PEN (-2,1%) against the CLP.
- Adjusted EBITDA decreased by 7.7% YoY to CLP 171,229 million, which is affected by the devaluation of currencies and negative one-off effects by CLP 1,769 million in 1Q17 and positive by CLP 11,155 million in 1Q16. Excluding both effects, adjusted EBITDA grew 4.9%[1] YoY and the margin reached 7.3% compared to 7.0% in the same period of the previous year.
- Net income for the period was CLP 68,077 million, a decrease of 37.6% YoY, together with a lower revaluation of assets, lower FX income and higher value on the tax account.

CONSOLIDATED PERFORMANCE

CONSOLIDATED INCOME DATA

(In millions of Chilean pesos as of March 31st, 2017)

	First Quarter		
	2017	2016	Δ %
Net revenues	2.523.563	2.481.884	1,7%
Cost of sales	-1.785.921	-1.765.307	1,2%
Gross profit	**737.642**	**716.577**	**2,9%**
Selling and administrative expenses	-631.209	-584.490	8,0%
Other income by function	29.472	40.774	-27,7%
Other gain (Losses)	-2.678	-3.463	-22,7%
Operating income	**133.228**	**169.399**	**-21,4%**
Participation in profit of equity method associates	4.509	2.860	57,6%
Net Financial Income	-62.574	-65.483	-4,4%
Income (loss) from foreign exchange variations	31.616	38.526	-17,9%
Result of indexation units	-2.786	-3.468	-19,7%
Non-operating income (loss)	-29.235	-27.565	6,1%
Income before income taxes	**103.992**	**141.834**	**-26,7%**
Income taxes	-35.915	-32.805	9,5%
Profit (Loss) from continued operations	**68.077**	**109.029**	**-37,6%**
Profit (Loss)	**68.077**	**109.029**	**-37,6%**
Profit (Loss) from controlling shareholders	67.167	107.682	-37,6%
Profit (Loss) from non-controlling shareholders	910	1.347	-32,4%
Adjusted EBITDA	171.229	185.581	-7,7%
Adjusted EBITDA Margin (%)	6,8%	7,5%	-69 bps
Adjusted EBITDA Margin (%) excluding one-offs	7.3%	7.0%	30 bps

[1] Conversions at average monthly exchange rates of sales and Adjusted EBITDA at the exchange rate of 2016
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Operating Income

- Consolidated Revenues in 1Q17 expanded 1.7% compared to 1Q16, due to higher sales in Chile and Argentina in Chilean pesos, despite the depreciation of the Argentine peso against the CLP. Chile maintained resilience, reporting revenue growth driven by Shopping Centers, which maintained a strong performance in sales and Department Stores driven by positive results of the Omnichannel strategy and growth of private labels and exclusive brands. In Brazil, although revenues increased in Chilean pesos, due to appreciation of the real against the Chilean peso, since local currency revenues dropped 8% due to the closing of 6 stores and the unfavorable economic scenario.
- Gross Profit grew by 2.9% YoY reflecting margin expansion of 36 bps. Gross margin expanded 105 bps excluding our Brazil operations, a dynamic demonstrating defined implementation of the Company's commercial strategy. In Brazil, gross margin was affected by the Company's exposure to markets in moratorium (Rio de Janeiro, Minas Gerais and Ceará) together with a more challenging environment in these regions.
- SG&A margin increased by 146 bps mainly due to higher personnel expenses and tariffs in Argentina and lower dilution of SG&A in Argentina and Brazil, partially offset by efficiency plans implemented.
- Other operating income decreased 27.7% due to a lower revaluation of assets (CLP 29,472 million), mainly explained by a lower risk rate in Argentina the previous year, which implied a 1023 bps reduction of its WACC in 2016 compared to a reduction of only 10 bps in 2017.
- Other gains (losses) recorded a lower negative effect due to the reduction of wealth taxes in Colombia, an improvement in operating exchange differences and a negative VPP from Banco Paris the previous year. This was partially offset by lower sales of Non-Core assets YoY and registration of the assets loss associated to the fire of our Distribution Center in the Home Improvement business in Chile. The Company is in the process of filing compensation claims with the insurance companies committed to offset such losses and damages generated by the loss.

Non Operational Income

- Participation in profit of equity method associates increased 57.6%, due to a 59.2% increase in the results of the Joint Venture with Scotiabank.
- Net Financial Expenses decreased by 4.4% reflecting a reduced financial cost following the refinancing of liabilities with the local bond issue in November 2016, as well as an increase in financial income from the higher cash surplus invested in financial instruments.
- Lower profit in Income (loss) from foreign exchange variations reflecting a lower appreciation of the CLP vs the USD on the unhedged portion of US dollar-denominated debt (+5.7% in 1Q16 vs +0.8% in 1Q17) in addition to the positive effect on exchange difference due to the liquidation of a loan in Argentina.
- The loss in indexation units decreased by CLP 683 million due to the lower variation of the UF compared to the same period of the previous year (0.5% in 1Q17 vs 0.7% in 1Q16), partially offset by higher exposure of UF-denominated debt (18.8% in 1Q17 vs 15.6% in 1Q16).
- The gain of assets revaluation, net of its associated deferred tax, recorded in 1Q17 was CLP 19,232 million, 29% less than in 1Q16.

RELEVANT EVENTS

- **Dividends year 2017:**
    - On April 28, 2017, at the Ordinary Shareholders Meeting, the payment of a definitive dividend was agreed on with a charge to the distributable profit for 2016 in the amount of $ 49.86015 per share, which includes the interim dividend paid in December of the year 2016, equivalent to $20 per share.

- **Recognition & Awards 2017:**
    - Paris.cl was recognized as the leader in E-commerce in the Retail sector in Chile, by the Chamber of Commerce of Latin America to the best of online business.
    - Umbrale.cl was awarded best E-Commerce retailer in the clothing and fashion category by the Trade Institute.

- **Cencosud initiates process to terminate US ADR program and cancel registration with the New York Stock Exchange (NYSE):**
    - At the Board of Directors meeting held on April 28, 2017, Cencosud resolved to terminate the ADR program and to cancel its registration with NYSE, based on the following considerations:
        - Less than 1% of the Company's total shares currently make up the ADRs program.
        - The Company seeks to reduce its operating expenses.

  The Board of Directors have decided to voluntarily maintain the U.S. standard of compliance with Sarbanes-Oxley (SOX) standards, in accordance with international best practices and under review by an external audit firm.

  The common shares issued by Cencosud S.A. resulting from the exchange of ADR's, will continue to trade on Chilean stock exchanges.

- **Openings:**

  In 1Q17, 2 stores were opened for a total of 16,854 m^2

Format	Flag	Country	Area (m^2)	Opening Date
Supermarkets	Jumbo	Chile	5.351	Jan-17
Shopping Center Valdivia	Shopping Center	Chile	11.503	Jan-17

- **Sale of non- core assets:**
    - Since last year, Cencosud has sold a total of 8 properties and accounted for a cash flow income of approximately USD 6 million.
    - In addition, as of March 2017, the Company has entered into promissory agreements for the sale of 11 properties and is expected to report approximately US$50 million in cash flow from these agreements during the year. As of March 31, an agreement was reached to sign commitment for sale of 10 additional properties worth approximately USD 11 million.

- **One-off effects:**
    - 1Q16: +CLP 11,155 million profit from the sale of Pharmacies in Peru, recovery of insurance and sale of assets.
    - 1Q17: (CLP 1,769) million loss from the recognition of the loss associated to the fire of the Easy Distribution Center and net from the profit from the sale of non-core assets (recorded in Other gains (losses))

PERFORMANCE BY COUNTRY

Revenues	First Quarter 1Q17 CLP MM	Margin (%)	1Q16 CLP MM	Margin (%)	Δ %	Local Currency (%)
Chile	1.051.487	41,7%	1.029.759	41,5%	2,1%	2,1%
Argentina	629.636	25,0%	622.353	25,1%	1,2%	18,5%
Brazil	404.273	16,0%	378.855	15,3%	6,7%	-8,0%
Peru	236.043	9,4%	244.132	9,8%	-3,3%	-1,3%
Colombia	202.124	8,0%	206.785	8,3%	-2,3%	-5,1%
Total	**2.523.563**	**100,0%**	**2.481.884**	**100,0%**	**1,7%**	

ADJUSTED EBITDA BY COUNTRY	2017 CLP MM	Margin (%)	First Quarter 2016 CLP MM	Margin (%)	Δ %	Local Currency
CHILE - Supermarkets	*66.516*	*10,6%*	*64.613*	*10,3%*	*2,9%*	-
CHILE - Department Stores	*16.497*	*6,7%*	*9.482*	*4,1%*	*74,0%*	-
CHILE - Home Improvement	*8.982*	*6,6%*	*12.023*	*8,9%*	*-25,3%*	-
CHILE - Shopping Center	*30.491*	*84,2%*	*26.849*	*84,4%*	*13,6%*	-
CHILE - Financial Services	*4.217*		*1.760*		*139,6%*	-
CHILE - Others	*-19.990*		*-20.737*		*-3,6%*	-
Chile	106.711	10,1%	93.990	9,1%	13,5%	-
Argentina	48.558	7,7%	56.773	9,1%	-14,5%	1,1%
Brazil	-6.850	-1,7%	9.037	2,4%	-175,8%	-167,1%
Peru	17.697	7,5%	22.760	9,3%	-22,2%	-21,3%
Colombia	5.113	2,5%	3.021	1,5%	69,2%	61,4%
Total	**171.229**		**185.581**		**-7,7%**	
Adjusted EBITDA margin (%)	**6,8%**		**7,5%**		**-69 bps**	

Chile

During the first quarter, revenues in Chile increased by 2.1% while adjusted EBITDA grew by 13.5%, with a margin expansion of 103 bps YoY. This, despite the negative calendar effect for Easter week and two less business days than in 2016. Even so, Same Store Sales (SSS) remained practically unchanged YoY in Supermarkets and Home Improvement and grew 4.9% in Department Stores. Shopping Centers also reported a very good performance driven by higher sales in malls and by the renewal of contracts.

Peru

Revenues in CLP decreased 3.3% YoY as a result of the devaluation of the Peruvian sol over CLP and the negative consequences of the rains and severe floods associated with the Coastal El Niño phenomenon. Thus, in local currency, Supermarket revenues declined 3.2% with SSS negative 0.6%, partially offset by better wholesale performance. Department Stores and Shopping Centers stood out with +12.5% and +12.0% revenue growth, respectively in CLP as well as Financial Services with revenues up +10.5% in local currency driven by higher loan portfolio growth. Adjusted EBITDA contracted in CLP due to lower contribution from Department Stores given the ramping up of Paris Jockey Plaza, and to a lower extent from Shopping Centers, which more than offset the 118 bps expansion in Adjusted EBITDA margin at the Supermarket business associated with the efficiency plan to reduce SG&A.

Colombia

During 1Q17, consumption was affected by the increase in VAT and personal taxes and the contraction in consumer confidence. As a result, local currency revenues declined 5.1% and 2.3% in CLP. The Supermarket business had a 2.7% drop in revenue, while Home Improvement reported a slight increase of 1.0% in Chilean pesos. Despite the lower consumption, Colombia's profitability showed an expansion of 107 bps in terms of margin and a 69.2% increase in Adjusted EBITDA. This was driven by gross margin expansion at the Supermarkets business (+90 bps) and Shopping Centers (+28 bps), along with higher dilution of expenses at Shopping Centers and Financial Services.

Argentina

The environment maintained the trend shown in previous quarters, although there was a slight rebound in consumption at the end of the quarter in the country's agricultural provinces. Revenues increased 1.2% in CLP, while local currency revenues rose 18.5% as a result of the devaluation of AR$ in relation to CLP (-14.6%). Supermarket revenues decreased 3.3% in Chilean pesos and 13.2% increase in local currency explained by a SSS of 14.9%. Shopping Centers and Home Improvement reported higher revenues, with Home Improvement, posting SSS of +21.2%. Financial Services revenues rose +81.9% in local currency due to portfolio growth of 67.7% YoY.

Brazil

The country's macroeconomic environment remains challenging, with high levels of unemployment during 1Q17, which reached 13.7%, an increase of 2.8% YoY according to IBGE (the highest rate since the first quarter of 2012) and weak consumption in the regions where Cencosud operates as a result of the moratorium of the states of Rio de Janeiro, Minas Gerais and Ceará. This resulted in negative SSS of 9.9% in Supermarkets, partially offset by the Real's appreciation of the CLP. Profitability contracted due to the lower expense dilution as a result of weaker sales, despite lower SG&A associated with energy and marketing efficiencies.

PERFORMANCE BY BUSINESS

Supermarkets

SUPERMARKETS	First Quarter 2017 CLP MM	2016 CLP MM	Δ %
Chile	630.336	626.356	0,6%
Argentina	396.131	409.606	-3,3%
Brazil	403.439	377.705	6,8%
Peru	200.435	211.259	-5,1%
Colombia	184.017	189.048	-2,7%
Revenues	1.814.359	1.813.974	0,0%
Chile	167.604	158.216	5,9%
Argentina	132.088	131.499	0,4%
Brazil	81.585	87.270	-6,5%
Peru	47.877	48.941	-2,2%
Colombia	38.577	37.929	1,7%
Gross Profit	467.732	463.856	0,8%
SG&A	-411.699	-378.004	8,9%
Operating Income	57.982	89.926	-35,5%
Adjusted EBITDA	98.668	121.787	-19,0%

Chile: Revenue increased 0.6%, due to the opening of the Jumbo Valdivia, partially offset by SSS contraction of -0.1% as a result of the holiday calendar effect (Easter week, and two additional business days last year: January 2 and February 29). Adjusted EBITDA increased by 2.9% with margin expanding 24 bps, driven by gross margin growth (+133 bps), partially offset by the increase in SG&A expenses. The latter increased as a result of higher average salaries (bonuses and reflex of CPI increase) and the opening of a store.

Argentina: Revenues in Chilean pesos fell 3.3% as a result of the devaluation of the Argentine peso vs CLP. In local currency, revenues rose 13.2%, reflecting SSS of +14.9, highlighting higher omnichannel sales (+ 77%), better performance of stores located in agricultural areas and increased share of imported products given greater availability. This was partially offset by the net closing of 2 stores YoY. Adjusted EBITDA contracted during the period reflecting the YoY increase in utility tariffs and wages, partially offset by an expansion in gross margin and a reduction of 3.3% in average employees.

Brazil: Revenues in Chilean pesos increased 6.8% as a result of the appreciation of the Brazilian real against the CLP, offset by the net closing of 6 YoY stores and negative SSS of 9.9%. The latter was mainly due to the impact on consumption from the moratorium of the states of Rio de Janeiro, Minas Gerais and Ceará. In addition, lower food inflation benefited performance across the different banners, particularly in the states with greater exposure to Food. Gbarbosa, performed well in the electro category (+9.6% YoY), despite a 5.5% negative SSS associated in part with stores located in the state of Ceará, which represent 7% of sales of this banner. Bretas showed a sequential improvement in sales in the state of Goias, partially offset by lower sales in the state of Minas Gerais (60% of sales of the flag). Prezunic contracted in terms of SSS due to a greater competition of the atacarejo format and to the situation in Rio de Janeiro. At the consolidated level, profitability contracted explained by greater promotional dynamics and the lower dilution of expenses. This was due to the decline in sales partially offset by a higher cost efficiency, which in absolute terms fell YoY driven by higher energy efficiencies, lower shrinkage and lower marketing and labor expenses.

Peru: In Chilean pesos, revenues fell 5.1% as a result of the devaluation of the Peruvian sol with respect to the CLP, and decreased in local currency by 3.2%, reflecting a high comparison base given the closure of the Metro Sucre store (May 2016), the sale of Teleticket (November 2016) and the divestiture of the pharmacy chain (March 2016), partially offset by the opening of one store YoY. In addition, SSS remained stable reflecting the climatic phenomena and the calendar effects mentioned above. Adjusted EBITDA margin expanded 118 bps, driven by a 5.2% reduction in the employee base and efficiency plans, including direct purchase of energy from generators, review of processes in shops, among others).

Colombia: In Chilean pesos, revenues decreased 2.7%, reflecting negative SSS of 6.2%, partially offset by the appreciation of the COP in relation to the CLP, the opening of a new store and a 150% YoY an increase in online sales. SSS reflect the impact on consumption from the increase in VAT and income taxes along with higher unemployment. Adjusted EBITDA margin contracted 64 bps, due to lower SG&A dilution of, partially offset by an improvement in gross margin associated with higher promotional activity and better agreements with suppliers.

Home Improvement

	First Quarter		
HOME IMPROVEMENT	2017 CLP MM	2016 CLP MM	Δ %
Chile	135.890	135.675	0,2%
Argentina	180.406	173.389	4,0%
Colombia	15.461	15.305	1,0%
Revenues	331.757	324.369	2,3%
Chile	35.985	36.186	-0,6%
Argentina	67.692	68.567	-1,3%
Colombia	3.617	3.811	-5,1%
Gross Profit	107.295	108.564	-1,2%
SG&A	-80.708	-74.358	8,5%
Operating Income	25.238	34.309	-26,4%
Adjusted EBITDA	31.187	40.312	-22,6%

Chile: Revenues grew 0.2% YoY, as the good performance of seasonal products, outdoor categories, sustained growth of online sales and a good Back to School campaign, was offset by weak construction sector performance. Adjusted EBITDA contracted 25.3% due to the recognition of the loss associated with the fire at our distribution center, in addition to higher logistical expenses in the quarter tied to the implementation of process improvements (new logistics system and leasing of warehouses to quickly replenish the supply of the Online channel after the incident in the Online Distribution Center, among others). Profitability was also impacted by higher personnel expenses due to compensation, higher benefits from collective bargaining agreements, and higher IT spending to drive higher efficiencies. This increase in expenses were partially offset by higher supplier bonuses, lower shrinkage and inventory differences resulting from the Company's focus on optimizing working capital

Argentina: Local currency revenues increased 22%, explained by SSS of 21.2% and the opening of a store, despite a high base of comparison (acceleration of consumption in 1Q16). However, in CLP, revenues increased 4.0%, reflecting the AR$ depreciation in relation to the CLP. Adjusted EBITDA contracted due to increased promotional activity, lower inventories (explained by lower inflation in 1Q17 vs. 1Q16), and the YoY increase in both utility tariffs and wages, partially offset by the higher share of imported products and a better performance in the furniture and lighting categories.

Colombia: revenues in CLP increased (+1.0%) reflecting the appreciation of the Colombian peso vs. the Chilean peso (+3%), while local currency sales fell 1.9% as a result of the contraction in consumption affected by the tax reform (increase in VAT and income taxes), partially offset by a better performance in soft products. Adjusted EBITDA decreased due to more aggressive commercial dynamics to encourage sales, higher costs associated with exchange differences (higher contribution of imported products), and lower dilution of administrative and sales expenses. All of the above was partially offset by a 4.2% reduction in workforce/employees.

Department Stores

DEPARTMENT STORES	First Quarter 2017 CLP MM	2016 CLP MM	∆ %
Chile	247.384	233.513	5,9%
Peru	15.416	13.702	12,5%
Revenues	262.800	247.215	6,3%
Chile	73.512	65.011	13,1%
Peru	2.513	2.692	-6,7%
Gross Profit	76.025	67.703	12,3%
SG&A	-70.147	-67.394	4,1%
Operating Income	6.134	433	1317,4%
Adjusted EBITDA	13.730	7.708	78,1%

Chile: Revenues grew 5.9% as a result of the opening of a store and a 4.9% increase in SSS reflecting a good sales performance at the Johnson stores as well as in the perfumery, sport and school categories. Adjusted EBITDA grew by 74.0% and the margin expanded by 261 bps driven by better performance of our private label and exclusive brands along with a higher share of apparel sales, as well as greater efficiency in energy costs (lighting of all stores has changed to LEDs since August 2016).

Peru: Revenues in Chilean pesos increased by 12.5% and by 15.0% in local currency, driven by the opening of a store, partially offset by a negative SSS of 3.8% as consumption was negatively impacted by the severe floods that affected the country during February and March, including the closure of a store for 10 days in the north of Peru. Adjusted EBITDA decreased YoY reflecting increased promotional activity, higher expenses resulting from the opening of the new store including a 12.3% increase in workforce and higher logistic expenses caused by the floods.

Shopping Centers

Shopping Centers	First Quarter 2017 CLP MM	2016 CLP MM	∆ %
Chile	36.209	31.808	13,8%
Argentina	16.095	15.714	2,4%
Peru	4.942	4.413	12,0%
Colombia	2.237	2.069	8,1%
Revenues	59.483	54.004	10,1%
Chile	34.019	30.730	10,7%
Argentina	12.210	11.995	1,8%
Peru	4.289	3.717	15,4%
Colombia	2.174	2.005	8,4%
Gross Profit	52.693	48.448	8,8%
SG&A	-6.341	-6.261	1,3%
Operating Income	72.887	80.023	-8,9%
Asset Revaluation	172.608	140.901	22,5%
O.I. excl.. Asset Revaluation	-99.721	-60.878	63,8%
Chile	30.491	26.849	13,6%
Argentina	11.978	12.094	-1,0%
Peru	3.539	3.310	6,9%
Colombia	1.662	1.379	20,5%
Adjusted EBITDA	47.670	43.632	9,3%

Chile: Revenues grew 13.8% year-on-year driven by the Costanera Center mall which is in the process of renewing contracts along with increased sales by its tenants, the opening of Portal Valdivia Shopping Center as well as the leasing of office space in the Costanera Tower. Adjusted EBITDA grew 13.6% YoY.

Argentina: Revenues rose 19.7% in local currency and 2.4% in CLP as a result of the AR$ devaluation in relation to CLP (-14.6%). Conversely, higher collection of minimum leases was partially offset by lower tenant sales. Adjusted EBITDA fell 1.0% due to the devaluation of ARS, increase in SG&A reflecting higher payroll contributions, an increase in the provision for uncollectible accounts and higher utility tariffs.

Peru: Revenues in Chilean pesos grew 12.0% and in local currency increased 14.4% as a result of higher income associated with leasing of pharmacies sold the previous year. Adjusted EBITDA expanded 6.9% reflecting higher gross margin, partially offset by a higher one-time payment of leases for rented properties.

Colombia: Revenues in Chilean pesos grew by 8.1% and 4.9% in local currency, as a result of a higher collection of minimum rents and to a lesser extent, in variable rent reflecting variable rent from Kiosks "Trascaja". Adjusted EBITDA in Chilean pesos grew 20.5%, due to an increase in gross margin and higher SG&A dilution.

Financial Services

	First Quarter		
Financial Services	2017 CLP MM	2016 CLP MM	Δ %
Chile[2]	39	414	-90,7%
Argentina	35.892	22.991	56,1%
Brazil	833	1.149	-27,5%
Peru	15.050	13.891	8,3%
Colombia	1.346	1.288	4,5%
Revenues	53.159	39.733	33,8%
Chile	49	444	-88,9%
Argentina	22.122	15.856	39,5%
Brazil	833	1.149	-27,5%
Peru	7.963	7.740	2,9%
Colombia	1.346	1.288	4,5%
Gross Profit	32.314	26.478	22,0%
SG&A	-12.299	-12.336	-0,3%
Operating Income	20.015	14.141	41,5%
Net Income Related Companies Chile	4.466	2.806	59,2%
Adjusted EBITDA[3]	24.925	17.736	40,5%

Chile Revenues only reflect Banco Paris' investments in Mutual Funds as it ceased operations on December 31, 2016. Adjusted EBITDA expanded reflecting higher profitability from the JV with Scotiabank, which increased 59.2% YoY.

Argentina Local currency revenues grew 81.9%, as a result of the 67.7% increase in the loan portfolio. Adjusted EBITDA expanded by 37.6% in Chilean pesos and 62.7% in local currency reflecting higher expense dilution and an increase in gross margin.

Peru Revenues in CLP increased 8.3% YoY due to a 2.6% growth in the portfolio. Adjusted EBITDA margin expanded 441 bps, driven by higher expense dilution from efficiencies expenses in implemented systems, partially offset by lower gross margin.

Brazil Adjusted EBITDA decreased due to higher country risk at the country level reflecting the increase in unemployment and macroeconomic situation.

Colombia Revenues in local currency remained stable, mainly due to a 11.5% increase in the portfolio. Profitability expanded as a result of lower risk, higher expense dilution and increased gross margin.

[2] Revenues and Gross Profit do not include participation in the JV with Scotiabank.
[3] Net income associate to the 49% participation in JV with Scotiabank is registered as Other Non-operating Gain/Losses and is added to the Adjusted EBITDA.

BALANCE SHEET SUMMARY

CONSOLIDATED BALANCE SHEET

(In millions of Chilean pesos as of March 31st, 2017)

	mar-17 MM CLP	Dec 16 MM CLP	Variation	%
Cash and cash equivalents	210.730	275.219	-64.489	-23,4%
Other financial assets, current	135.723	219.989	-84.266	-38,3%
Other non-financial assets, current	40.048	23.628	16.419	69,5%
Trade receivables and other receivables	810.967	867.140	-56.173	-6,5%
Receivables from related entities, current	19.752	28.988	-9.236	-31,9%
Inventory	1.189.061	1.149.286	39.775	3,5%
Current tax assets	92.772	74.136	18.636	25,1%
Total current assets other from non-current assets classified as held for sale	**2.499.053**	**2.638.385**	**-139.333**	**-5,3%**
Non-current assets classified as held for sale	64.336	57.124	7.212	
TOTAL CURRENT ASSETS	**2.563.388**	**2.695.509**	**-132.121**	**-4,9%**
Other financial assets, non-current	260.142	287.361	-27.219	-9,5%
Other non-financial assets, non-current	54.238	52.335	1.903	3,6%
Trade receivable and other receivables, non- current	15.405	11.894	3.512	29,5%
Equity method investment	203.200	200.728	2.472	1,2%
Intangible assets other than goodwill	413.353	408.168	5.185	1,3%
Goodwill	1.474.940	1.432.319	42.621	3,0%
Property, plant and equipment	2.597.225	2.578.794	18.432	0,7%
Investment property	2.118.998	2.081.694	37.304	1,8%
Current Tax assets, non-current	87.841	83.376	4.464	5,4%
Deferred income tax assets	650.354	616.579	33.774	5,5%
TOTAL NON-CURRENT ASSETS	**7.875.696**	**7.753.248**	**122.448**	**1,6%**
TOTAL ASSETS	**10.439.085**	**10.448.757**	**-9.673**	**-0,1%**
	mar-17 MM CLP	**Dec 16 MM CLP**	**Variation**	**%**
Other financial liabilities, current	421.486	408.009	13.477	3,3%
Trade payables and other payables	1.775.953	1.926.847	-150.894	-7,8%
Payables to related entities, current	14.398	18.723	-4.325	-23,1%
Provisions and other liabilities	12.125	11.779	346	2,9%
Current income tax liabilities	75.155	74.586	569	0,8%
Current provision for employee benefits	84.938	106.497	-21.558	-20,2%
Other non-financial liabilities, current	40.967	26.978	13.989	51,9%
Total liabilities other than liabilities included in group of assets classified as held for sale	**2.425.022**	**2.573.418**	**-148.397**	**-5,8%**
Liabilities included in groups of assets classified as held for sale	6.952	15.669	-8.717	-55,6%
TOTAL CURRENT LIABILITIES	**2.431.974**	**2.589.088**	**-157.114**	**-6,1%**
Other financial liabilities, non-current	2.886.737	2.903.626	-16.889	-0,6%
Trade accounts payable, non-current	4.154	4.804	-650	-13,5%
Other provisions, non-current	69.875	68.256	1.619	2,4%
Deferred income tax liabilities	742.904	719.542	23.362	3,2%
Current taxes liabilities, non-current	13.701	-	13.701	#¡DIV/0!
Other non-financial liabilities, non-current	80.711	79.390	1.320	1,7%
TOTAL NON-CURRENT LIABILITIES	**3.798.082**	**3.775.618**	**22.463**	**0,6%**
TOTAL LIABILITIES	**6.230.055**	**6.364.706**	**- 134.651**	**-2,1%**
Paid-in Capital	2.420.565	2.420.565	-	0,0%
Retained earnings (accumulated losses)	2.542.197	2.489.410	52.787	2,1%
Issuance premium	461.302	461.302	-	0,0%
Other reserves	-1.214.713	-1.286.017	71.304	-5,5%
Net equity attributable to controlling shareholders	**4.209.351**	**4.085.260**	**124.091**	**3,0%**
Non-controlling interest	-322	-1.208	887	-73,4%
TOTAL NET EQUITY	**4.209.029**	**4.084.052**	**124.978**	**3,1%**
TOTAL NET EQUITY AND LIABILITIES	**10.439.085**	**10.448.757**	**-9.673**	**-0,1%**

Total assets as of March 31, 2017 decreased CLP 9,673 million compared to December 2016 mainly due to the reduction of Total Current Assets by CLP 132,121 million, offset by CLP 122,448 million increase of Total Non-current Assets.

The decline in current assets is explained by reductions of CLP 64,489 million in Cash and Cash Equivalents, CLP 84,266 million in other current financial assets due to lower investment in mutual funds, CLP 56,173 million in trade- and other accounts receivable, associated with higher collection of accounts receivables. The increase in non-current assets is explained by the CLP 42,621 million increase in goodwill due to exchange rate variation mainly in Brazil and Colombia at. The CLP 33,774 million increase in deferred asset taxes originated mainly in Colombia, Brazil and Chile. Investment properties increased by CLP 37,304 million reflecting the positive foreign exchange variation YoY, the revaluation of properties, in addition to the increase in Property, Plant and Equipment by CLP 18,432 million.

Total liabilities decreased by CLP 134,651 million explained by a decline of CLP 157,114 million in total current liabilities, partially offset by a CLP 22,463 million increase in total non-current liabilities. The above is mainly a reflection of trade accounts payable and other accounts payable of CLP 150,894 million, reflecting payments related to the 2016 Christmas. Lower short-term employee benefits provisions by CLP 21,558 million related to year-end holiday and performance bonus provisions. This was partially offset by an increase in deferred tax liabilities and current liabilities of CLP 37,063 million reflecting the increase in intangibles associated with technology projects and foreign exchange fluctuation, mainly in Colombia.

Total equity increased by CLP 124,978 million as a result of the increase in the translation reserve associated with exchange rate differences in CLP 82,040 million as a result of the appreciation of the BRL and COP compared to December 2016, partially offset by the decline in exchange rate hedging derivatives (CLP 11,833) million. Likewise, the increase in shareholders' equity is explained by the result for the year (CLP 67,167 million) offset by an increase in the provision for the payment of dividends for CLP 14,381 million.

Indebtedness

As of March 31, 2017, net financial debt (excluding Cencosud's banking activities in Peru and Chile) was CLP 2,640,439 million, compared to CLP 2,402,274 million as of March 31, 2016.

Financial Ratios[4]

(Times)	Mar 17	Mar 16
Net Financial Debt / Adjusted EBITDA[5]	3,47	3,35
Financial Expense Ratio	3,10	2,82
Financial Debt / Equity	0,63	0,60
Total Liabilities / Equity	1,45	1,43
Current Assets / Current Liabilities	1,02	1,04

Interest Rate Risk

As of March 2017, including the *Cross Currency Swaps,* **75.6%** of the Company's financial debt was at fixed interest rates, primarily short-term debt and bonds. The remaining debt was at variable interest rates. Of the variable-rate, 98.4% is indexed to local interest rates (either by its original terms or under derivative arrangements). These percentages include all the Cross Currency Swaps. The Company's hedging policy also provides for the periodic review of exposure to exchange rate and interest rate risks.

Currency Hedges

In countries where Cencosud operates, the majority of costs and revenues are denominated in local currencies. The majority of the Company's debt is denominated in Chilean pesos. As of March 31, 2017, roughly 67% of consolidated financial debt was denominated in US dollars: 77.4% of total financial debt was covered using Cross Currency Swaps or other Exchange Rate Hedges. The Company's policy is to cover the risk caused by variations in exchange rate on the position of net payable liabilities in foreign currency using market instruments.

4 These financial ratios are displayed for information purposes only and do not represent financial covenants associated to debt contracts and bonds. The ratios shown above do not include the assets and liabilities of Cencosud's banking activities.
5 In 1Q16 and 1Q17 the leverage ratio includes liabilities of assets maintained for the sale.

Considering the effect of the Cross Currency Swaps, as of March 31, 2017, the Company's exposure to the US dollar was 15.3% of the total debt.

Working Capital Ratios[6]

	Inventory Turnover			Average period of receivables			Average period of payables		
(days)	1Q17	1Q16	Δ	1Q17	1Q16	Δ	1Q17	1Q16	Δ
Supermarkets	48,0	41,8	6,2	10,0	11,4	-1,5	44,6	43,0	1,6
Home Improvement	104,7	81,9	22,8	11,8	10,5	1,3	50,0	50,0	0,0
Department Stores	92,3	89,0	3,2	6,1	6,3	-0,2	50,0	50,7	-0,7
Shopping Centers				31,4	23,9	7,5	32,0	30,0	2,0
Financial Services							31,9	31,0	0,9

INVENTORY TURNOVER: the supermarkets business increased its inventory turnover by 6.2 days as a result of the exchange rate effect, Easter and the closing of the quarter on a Friday. In local currency, Argentina and Peru recorded an increase of 9.8 and 3.9 days, respectively, while Brazil achieved a reduction of 4.1 days YoY. Home Improvement had an increase of 22.8 days explained by an increase in inventory days in Chile (+16.3 days) and the effect of the exchange rate on Colombian and Argentine operations, while in local currency inventory days decreased by 5.1 days in Colombia and 1.3 days in Argentina. Department Stores increased inventory by 3.2 days.

AVERAGE PERIOD OF RECEIVABLES: Supermarkets decreased their average collection days by 1.5, as a consequence of a decrease in Chile, Brazil and Peru. Also, Department Stores lowered their average period pf receivables influenced by Chile, partially offset by a slight rise in Peru. Home Improvement marginally increased their average period of receivables. Shopping Center division increased its period of receivables in 7.5 days.

AVERAGE PERIOD OF PAYABLES: Department Stores in Chile decreased the average days of payables, but remained unchanged in Home Improvement. This was partially offset by a marginal increase in the Supermarkets business in Argentina, Peru and Colombia and Department Stores in Peru.

CASH FLOW SUMMARY

(In millions of Chilean pesos as of March 31st, 2017)

2017 (Figures in MM CLP)	Net cash flow from operating activities	Net cash flow used in investment activities	Net cash flow from (used in) financing activities	Consolidated
Supermarkets	-23.826	11.686	10.612	**-1.527**
Shopping Centers	67.093	-791	-67.063	**-762**
Home Improvement	51.729	-7.925	-51.344	**-7.541**
Department Stores	-55.315	-6.841	34.538	**-27.618**
Financial Service	-4.603	-421	4.514	**-510**
Others	-68.485	36.317	786	**-31.382**
Consolidated	**-33.408**	**32.025**	**-67.958**	**-69.340**
al 31 de marzo 2016 MM CLP	**Net cash flow from operating activities**	**Net cash flow used in investment activities**	**Net cash flow from (used in) financing activities**	**Consolidated**
Supermarkets	-55.123	-3.346	3.404	**-55.065**
Shopping Centers	81.332	-2.661	-78.473	**198**
Home Improvement	37.902	-7.301	-31.330	**-729**
Department Stores	-34.682	-4.552	12.676	**-26.557**
Financial Service	7.257	20.339	-30.294	**-2.699**
Others	-90.602	113.192	66.056	**88.647**
Consolidated	**-53.915**	**115.671**	**-57.962**	**3.794**

6 Figures from Income Statement were translated to CLP with average exchange rate per month and figures from the Balance Sheet were translated using end of period exchange rate. Therefore, fluctuations in the ratios consider exchange rate variations against CLP. Since December 2016 inventory turnover and average period of receivables calculation includes the average of year-end figures and same quarter from the year 2016.

Taking into account the cash flow from operating, investing and financing activities, Cencosud reported negative net cash flow of CLP 69,340 million as of March 31, 2017 compared to a net cash flow of CLP 3,794 million at the same period from the previous year.

Operating Activities

During 2017, the Company reported negative operating cash flow of CLP 33,408 million, compared with negative CLP 53,915 million for the same period of 2016. This reflects the seasonality in the Company's cash flow as the first quarter includes payments to suppliers in connection with seasonally higher Christmas sales. The variation in 1Q17 compared to 1Q16 is explained by higher cash flow in the Supermarket and Home Improvement businesses, due to an increase in the collection of accounts receivable, lower investment in inventories (despite the calendar effect of closing the quarter on a Friday and the Easter week effect), partially offset by a decline in cash generation and higher tax payments (Colombia and Peru).

Investment Activities

Net cash flow from investment activities was CLP 32,025 million in the three months ended March 31, 2017 compared to a net cash flow of CLP 115,671 million for the same period of the previous year. The lower YoY cash flow is explained by lower redemptions of investments in mutual funds and an increase in the use of cash generated by the Company. Likewise, during the period there was an increase in investments in plant and equipment properties compared to the previous year. In addition, in 1Q16 the Company recognized the sale of pharmacies in Peru.

Financing Activities

Net cash flow used in financing activities was CLP (67,958) million during the three months ended March 31, 2017 with respect to CLP (57,962) million in the same period of 2016. The variation is explained by higher interest payments, a collection associated with the exercise Stock Options in 1Q16, partially offset by lower net loan amortizations.

RETAIL INDICATORS

	N° stores		Total Selling Space (sq^2)		Average selling space per store (sq^2)		% Leased and Occupancy Rate	
	1Q17	1Q16	1Q17	1Q16	1Q17	1Q16	1Q17	1Q16
Chile	246	245	590.305	577.547	2.400	2.357	60,6%	66,5%
Argentina	282	284	523.598	524.105	1.857	1.845	55,3%	55,6%
Brazil	211	217	594.855	602.118	2.819	2.775	92,4%	91,7%
Peru	91	90	271.849	269.719	2.987	2.997	48,3%	47,8%
Colombia	102	101	425.805	426.393	4.175	4.222	34,3%	33,7%
Supermarkets	**932**	**937**	**2.406.412**	**2.399.883**	**2.582**	**2.561**	**62,1%**	**61,3%**
Chile	35	35	325.315	325.315	9.295	9.295	11,4%	11,4%
Argentina	51	50	391.546	383.786	7.677	7.676	21,6%	22,0%
Colombia	10	10	82.320	82.320	8.232	8.232	30,0%	30,0%
Home Improvement	**96**	**95**	**799.181**	**791.421**	**8.325**	**8.331**	**18,3%**	**18,5%**
Chile	79	78	377.288	370.688	4.776	4.752	67,4%	68,6%
Peru	10	9	55.333	45.233	5.533	5.026	90,3%	88,2%
Department Store	**89**	**87**	**432.621**	**415.921**	**4.861**	**4.781**	**70,4%**	**70,7%**
Chile	26	25	425.261	431.207	16.356	17.248	98,0%	98,2%
Argentina	22	22	277.203	277.203	12.600	12.600	96,7%	96,8%
Peru	4	4	71.191	71.191	17.798	17.798	94,4%	94,7%
Colombia	2	2	14.991	14.991	7.496	7.496	37,4%	26,9%
Shopping Centers	**54**	**53**	**788.646**	**794.592**	**14.605**	**14.992**	**96,1%**	**96,1%**
TOTAL	**1.171**	**1.172**	**4.426.860**	**4.401.818**	**3.780**	**3.756**		

figures in USD th	Average sales per store (USD m)				Sales per Square meter (USD)			
	1Q17	1Q16	2017	2016	1Q17	1Q16	2017	2016
Chile	3.867	3.997	16.074	16.205	1.626	1.672	6.758	6.778
Argentina	2.108	2.149	8.620	10.780	1.139	1.171	4.657	5.874
Brazil	2.839	2.592	11.356	10.846	1.015	948	4.061	3.967
Peru	3.336	3.595	13.776	14.863	1.115	1.197	4.604	4.951
Colombia	2.731	2.833	11.974	12.322	650	668	2.852	2.906
Supermarket	**2.924**	**2.933**	**12.068**	**12.724**	**1.137**	**1.146**	**4.693**	**4.974**
Chile	5.848	6.100	22.395	22.620	629	645	2.409	2.394
Argentina	5.380	5.223	21.395	26.510	701	680	2.787	3.453
Colombia	2.329	2.426	9.624	9.908	283	292	1.169	1.191
Home Improvement	**5.232**	**5.253**	**20.529**	**23.413**	**628**	**627**	**2.465**	**2.793**
Chile	4.746	4.509	20.581	19.589	996	946	4.320	4.111
Peru	2.444	2.752	11.066	12.331	462	534	2.091	2.395
Department Store	**4.498**	**4.355**	**19.554**	**18.953**	**933**	**907**	**4.056**	**3.949**
Chile	2.139	1.916	8.684	8.241	127	114	517	488
Argentina	1.102	1.183	4.844	6.334	87	91	384	488
Peru	1.861	1.899	7.730	8.267	105	103	434	447
Colombia	1.685	1.558	6.862	6.573	225	211	915	891
Shopping Center	**1.675**	**1.611**	**6.965**	**7.422**	**113**	**107**	**471**	**493**

SSS NOMINAL	1Q17	1Q17 excl. Calendar effects	12M16	4Q16	3Q16	2Q16	1Q16
Supermarket							
Chile	-0,1%	3,6%	3,9%	3,8%	3,8%	3,4%	4,6%
Argentina	14,9%	15,1%	17,3%	18,5%	16,5%	14,9%	16,7%
Brazil	-9,9%	-7,2%	-2,4%	-6,5%	0,2%	-0,7%	-2,3%
Peru	-0,6%	0,6%	1,0%	0,0%	0,6%	1,2%	2,5%
Colombia	-6,2%	-3,9%	5,0%	3,3%	3,5%	6,6%	6,9%
Home Improvement							
Chile	0,2%	1,5%	3,3%	7,9%	2,2%	-1,0%	3,7%
Argentina	21,2%	24%	18,4%	15,0%	21,3%	16,5%	21,9%
Colombia	-2,1%	-1,1%	8,8%	5,3%	7,6%	13,2%	9,9%
Department Stores							
Chile	4,9%	5,7%	6,4%	4,6%	6,7%	5,0%	10,2%
Peru	-3,8%	-1,9%	11,1%	-2,6%	12,6%	17,7%	22,3%

SS TICKETS	1Q17	12M16	4Q16	3Q16	2Q16	1Q16
Supermarket						
Chile	-4,1%	0,4%	-0,2%	1,5%	0,0%	0,3%
Argentina	-6,6%	-8,1%	-6,9%	-8,7%	-11,1%	-7,7%
Brazil	-6,3%	-3,3%	-4,1%	-1,8%	-2,7%	-4,5%
Peru	-4,8%	-3,1%	-3,3%	-4,3%	-4,5%	-0,7%
Colombia	-6,1%	-1,4%	-3,7%	-1,8%	-2,3%	1,0%
Home Improvement						
Chile	-3,2%	-1,0%	4,7%	-3,3%	-4,7%	-1,2%
Argentina	-0,6%	-5,9%	-3,4%	-3,4%	-10,6%	-6,6%
Colombia	-5,3%	0,9%	-1,2%	-0,8%	1,7%	4,2%
Department Stores						
Chile	1,3%	-0,3%	-1,0%	1,0%	1,1%	-1,7%
Peru	3,3%	7,7%	-1,4%	9,1%	14,1%	13,2%

SS AVERAGE TICKET NOMINAL	1Q17	12M16	4Q16	3Q16	2Q16	1Q16
Supermarkets						
Chile	4,2%	3,5%	4,0%	2,3%	3,4%	4,3%
Argentina	23,0%	27,7%	27,3%	27,7%	29,3%	26,5%
Brazil	-4,6%	3,4%	-0,1%	5,3%	4,4%	4,1%
Peru	4,3%	4,2%	3,4%	4,9%	5,3%	3,3%
Colombia	0,2%	6,8%	7,2%	5,8%	9,7%	6,2%
Home Improvement						
Chile	3,5%	4,4%	3,1%	5,7%	3,9%	4,9%
Argentina	22,0%	23,6%	15,0%	21,3%	30,3%	21,9%
Colombia	3,4%	8,0%	6,6%	8,5%	11,3%	5,5%
Department Stores						
Chile	3,5%	6,3%	5,2%	5,0%	3,4%	12,1%
Peru	-6,9%	3,2%	-1,3%	3,2%	3,1%	8,0%

SHOPPING CENTERS INDICATORS

CHILE

Type	Location	GLA Third parties			GLA Related Parties			TOTAL GLA			Visits		
		1Q17	1Q16	Var%	1Q17	1Q16	Var%	1Q17	1Q16	Var%	1Q17	1Q16	Var%
MEGA	Costanera Center	115.740	115.740	0,0%	36.927	36.927	0,0%	152.667	152.667	0,0%	9.022.979	9.340.039	-3%
REGIONAL	Alto Las Condes	74.559	74.559	0,0%	43.362	43.362	0,0%	117.921	117.921	0,0%	4.709.855	4.613.334	2%
VECINAL	Portal Florida	63.556	63.556	0,0%	57.816	57.816	0,0%	121.372	121.372	0,0%	3.589.732	3.930.035	-9%
VECINAL	Portal La Dehesa	43.158	52.801	-18,3%	34.935	25.292	38,1%	78.093	78.093	0,0%	1.867.115	1.897.238	-2%
VECINAL	Portal La Reina	9.407	9.407	0,0%	31.471	31.471	0,0%	40.878	40.878	0,0%	1.358.709	1.214.128	12%
VECINAL	Portal Rancagua	7.284	7.284	0,0%	41.346	41.346	0,0%	48.629	48.629	0,0%	1.924.906	1.980.933	-3%
VECINAL	Portal Temuco	38.672	38.672	0,0%	26.079	26.079	0,0%	64.751	64.751	0,0%	2.832.129	2.828.231	0%
VECINAL	Portal Ñuñoa	14.789	14.789	0,0%	19.678	19.678	0,0%	34.467	34.467	0,0%	1.512.870	1.434.231	5%
VECINAL	Portal Belloto	17.088	17.088	0,0%	32.926	32.926	0,0%	50.014	50.014	0,0%	2.364.712	2.382.042	-1%
VECINAL	Portal Osorno	17.906	17.906	0,0%	15.494	15.494	0,0%	33.399	33.399	0,0%	2.151.260	2.198.526	-2%
Power Center	Power Center	23.104	19.407	19,1%	347.424	339.618	2,3%	370.529	359.025	3,2%	0	0	n.a
Others	Trascaja/Others	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a
	TOTAL CHILE	**425.262**	**431.208**	**-1,4%**	**687.457**	**670.008**	**2,6%**	**1.112.720**	**1.101.216**	**1,0%**	**31.334.267**	**31.818.737**	**-1,5%**

Type	Figures in CLP MM Location	Sales 3°			Sales Related parties			Total Sales			Revenues 3°		
		1Q17	1Q16	Var%	1Q17	1Q16	Var%	1Q17	1Q16	Var%	1Q17	1Q16	Var%
MEGA	Costanera Center	110.360	93.624	18%	32.670	30.530	7%	143.029	124.154	15%	12.172	9.936	23%
REGIONAL	Alto Las Condes	55.472	52.189	6%	31.412	31.071	1%	86.883	83.260	4%	8.271	8.097	2%
VECINAL	Portal Florida	27.710	25.407	9%	22.948	22.155	4%	50.658	47.561	7%	3.349	2.931	14%
VECINAL	Portal La Dehesa	15.963	15.411	4%	18.208	15.760	16%	34.171	31.171	10%	2.384	2.184	9%
VECINAL	Portal La Reina	5.109	4.798	6%	20.661	20.281	2%	25.770	25.079	3%	709	648	10%
VECINAL	Portal Rancagua	6.493	5.443	19%	21.868	21.872	0%	28.362	27.315	4%	815	649	26%
VECINAL	Portal Temuco	25.604	22.826	12%	13.948	13.749	1%	39.552	36.575	8%	2.089	1.703	23%
VECINAL	Portal Ñuñoa	5.080	4.947	3%	11.230	11.044	2%	16.310	15.991	2%	770	775	-1%
VECINAL	Portal Belloto	4.237	3.802	11%	13.981	13.380	4%	18.217	17.183	6%	538	518	4%
VECINAL	Portal Osorno	6.521	5.740	14%	10.304	10.012	3%	16.824	15.752	7%	898	797	13%
Power Center	Power Center	13.854	13.153	5%	179.269	176.150	2%	193.124	189.303	2%	1.911	1.923	-1%
Others	Trascaja/Others	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	2.303	1.648	40%
	TOTAL CHILE	**276.402**	**247.340**	**11,7%**	**376.500**	**366.005**	**2,9%**	**652.902**	**613.345**	**6,4%**	**36.209**	**31.808**	**13,8%**

ARGENTINA

Type	Location	GLA 3ª			GLA Related Parties			TOTAL GLA			Visits		
		1Q17	1Q16	Var%	1Q17	1Q16	Var%	1Q17	1Q16	Var%	1Q17	1Q16	Var%
REGIONAL	Unicenter	74.782	74.782	0,0%	23.741	23.741	0,0%	98.524	98.524	0,0%	4.458.096	4.736.296	-6%
VECINAL	Portal Plaza Oeste	19.906	19.906	0,0%	22.612	22.612	0,0%	42.518	42.518	0,0%	1.356.315	1.496.573	-9%
VECINAL	Portal Palmas del Pilar	37.416	37.416	0,0%	37.005	37.005	0,0%	74.421	74.421	0,0%	2.195.871	2.069.735	6%
VECINAL	Portal Rosario	40.182	40.182	0,0%	29.298	29.298	0,0%	69.480	69.480	0,0%	1.238.982	1.155.353	7%
VECINAL	Portal Patagonia	9.789	9.789	0,0%	28.134	28.134	0,0%	37.922	37.922	0,0%	1.075.487	1.045.719	3%
VECINAL	Portal Lomas	8.201	8.201	0,0%	27.353	27.353	0,0%	35.554	35.554	0,0%	1.264.324	1.288.761	-2%
VECINAL	Portal Tucumán	10.371	10.371	0,0%	21.439	21.439	0,0%	31.810	31.810	0,0%	954.954	975.548	-2%
VECINAL	Portal Escobar	4.410	4.410	0,0%	29.607	29.607	0,0%	34.016	34.016	0,0%	n.a	n.a	n.a
VECINAL	Portal los Andes	3.390	3.390	0,0%	29.456	29.456	0,0%	32.846	32.846	0,0%	n.a	n.a	n.a
VECINAL	Portal Trelew	7.213	7.213	0,0%	15.682	15.682	0,0%	22.895	22.895	0,0%	n.a	n.a	n.a
VECINAL	Portal Salta	5.635	5.635	0,0%	18.464	18.464	0,0%	24.099	24.099	0,0%	n.a	n.a	n.a
VECINAL	Portal Santiago Del Estero	5.461	5.461	0,0%	11.737	11.737	0,0%	17.198	17.198	0,0%	n.a	n.a	n.a
OTHERS	Others	50.447	50.447	0,0%	176.164	176.164	0,0%	226.611	226.611	0,0%	1.666.376	1.706.145	-2%
	TOTAL ARGENTINA	**277.203**	**277.203**	**0,0%**	**470.691**	**470.691**	**0,0%**	**747.894**	**747.894**	**0,0%**	**14.210.405**	**14.474.130**	**-1,8%**

Type	Figure in AR$ MM Location	Sales 3°			Sales Related parties			Total Sales			Revenues 3°		
		1Q17	1Q16	Var%	1Q17	1Q16	Var%	1Q17	1Q16	Var%	1Q17	1Q16	Var%
REGIONAL	Unicenter	1.655	1.415	16,9%	259	210	23,4%	1.913	1.625	17,8%	155	127	21,3%
VECINAL	Portal Plaza Oeste	449	390	15,1%	138	128	7,6%	587	519	13,3%	43	38	14,1%
VECINAL	Portal Palmas del Pliar	417	321	29,9%	358	309	15,9%	775	630	23,0%	32	25	29,2%
VECINAL	Portal Rosario	349	247	41,5%	183	156	16,9%	532	403	32,0%	21	17	23,1%
VECINAL	Portal Patagonia	219	184	18,9%	335	272	23,2%	554	456	21,5%	17	13	24,2%
VECINAL	Portal Lomas	195	165	18,4%	249	213	16,8%	444	378	17,5%	14	14	-0,5%
VECINAL	Portal Tucuman	212	175	20,7%	214	177	20,7%	425	352	20,7%	19	15	30,4%
VECINAL	Portal Escobar	106	95	11,2%	230	197	16,8%	336	292	15,0%	5	5	-4,1%

VECINAL	Portal los Andes	101	78	29,0%	292	249	17,2%	392	327	20,0%	6	5	22,7%
VECINAL	Portal Trelew	108	89	22,2%	113	93	21,7%	221	182	22,0%	5	5	-3,3%
VECINAL	Portal Salta	87	71	21,6%	195	172	12,9%	281	244	15,4%	5	4	4,6%
VECINAL	Portal Santiago Del Estero	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	3	2	41,4%
OTHERS	Otros	818	678	20,8%	1.465	1.248	17,4%	2.284	1.926	18,6%	61	51	20,0%
	TOTAL ARGENTINA	**4.715**	**3.908**	**20,7%**	**4.031**	**3.426**	**17,7%**	**8.746**	**7.333**	**19,3%**	**385**	**321**	**19,7%**

PERU

		GLA 3ª			GLA Related Parties			TOTAL GLA		
Type	**Location**	1Q17	1Q16	Var%	1Q17	1Q16	Var%	1Q17	1Q16	Var%
REGIONAL	Plaza Lima Sur	43.634	43.634	0,0%	32.263	32.263	0,0%	75.897	75.897	0,0%
VECINAL	Arequipa	17.075	17.075	0,0%	13.204	13.204	0,0%	30.280	30.280	0,0%
Others	Others Centers	10.481	10.481	0,0%	6.486	6.486	0,0%	16.968	16.968	0,0%
	TOTAL PERÚ	**71.191**	**71.191**	**0,0%**	**51.953**	**51.953**	**0,0%**	**123.144**	**123.144**	**0,0%**

		Revenues 3° (PEN)		
Type	**Locations**	1Q17	1Q16	Var%
REGIONAL	Plaza Lima Sur	7.870.265	6.857.325	14,8%
VECINAL	Arequipa	978.894	1.761.101	-44,4%
Others	Others	13.906.110	11.252.530	23,6%
	TOTAL PERU	**24.770.518**	**21.660.237**	**14,4%**

COLOMBIA

	GLA 3			GLA Related Parties			TOTAL GLA		
	1Q17	1Q16	Var%	1Q17	1Q16	Var%	1Q17	1Q16	Var%
TOTAL COLOMBIA	**8.890**	**8.890**	**0,0%**	**34.294**	**34.294**	**0,0%**	**43.184**	**43.184**	**0,0%**

	Revenues 3° (COP)		
	1Q17	1Q16	Var%
TOTAL COLOMBIA	**10.015.836.957**	**9.550.115.605**	**4,9%**

FINANCIAL SERVICES INDICATORS[7]

CHILE	**1Q17**	**1Q16**
Credit Card/ SAG-CAT[0]		
Loan Portfolio (MM CLP)[1]	809.098	676.112
Provisions over Loans (%)[2]	6,0%	6,3%
Provisions (MM CLP)2	48.433	42.392
Write-offs (MM CLP)	11.214	9.322
% of Sales w/Credit Cards over Total Sales		
Hypermarkets	12,8%	13,7%
Supermarkets	4,1%	4,7%
Department Stores	27,1%	29,4%
Home Improvement	18,0%	18,2%
ARGENTINA		
Loan Portfolio (M ARS)	8.623.648	5.143.360
Provisions over Loans (%)[4]	3,5%	3,7%
Provisions (M ARS)[4]	303.026	188.760
Write-offs (M ARS)[7]	68.948	20.333
Duration (Months)[8]	3,8	3,7

7 Castigos corresponden a castigos netos de recuperaciones y se presentan acumulados a cada cierre de trimestre.
Nota 0: SAG-Cat is the new entity that holds the JV with Scotiabank in Chile.
Nota 1: Starting from June 2015, figures reported in SAG-CAT holds 100% of the JV with Scotiabank.
Nota 2: The ratio Provisions / Loan does not include CLP 9,782 million of anti-cyclical and contingency provisions of unused quotas registered by the end of September 2016.
Nota 4: At the end of March 2017, there is no amount registered associated to the anticycles provisions.
Nota 6: Includes only Gbarbosa
Nota 7: Write-offs correspond to write-off net from recovery and are presented accumulated as of the end of each quarter.
Nota 8: The duration is calculated monthly: 1/(Flujo del mes/Colocación)

Open Accounts (With Balance)	972.375	884.243
Average Consumer Loan (ARS)	8.869	5.817
% of Sales w/Credit Cards over Total Sales		
Supermarkets	9,8%	9,4%
Home Improvement	26,4%	24,1%
PERU[5]		
Loan Portfolio (M PEN)	501.215	488.495
Provisions over Loans (%)	7,8%	6,8%
Provisions (M PEN)	38.871	33.379
Write-offs (M PEN)[7]	23.870	16.847
Duration (Months)[8]	4,0	3,4
Open Accounts (With Balance)	329.991	349.347
Average Consumer Loan (PEN)	1.519	1.398
% of Sales w/Credit Cards over Total Sales		
Supermarkets	11,8%	12,1%
Department Stores	34,9%	35,4%
BRAZIL[6]		
Loan Portfolio (M BRL)	506.525	496.935
Provisions over Loans (%)	3,8%	4,1%
Provisions (M BRL)	19.464	20.300
Write-offs (M BRL)[7]	23.771	17.855
% of Sales w/Credit Cards over Total Sales		
Supermarkets	35,7%	39,2%
COLOMBIA		
Loan Portfolio (MM COP)	759.934	681.690
Provisions over Loans (%)	7,2%	7,5%
Provisions (MM COP)	54.580	51.127
Write-offs (MM COP)[7]	17.993	17.046
% of Sales w/Credit Cards over Total Sales		
Supermarkets	15,1%	13,2%
Home Improvement	9,6%	7,8%

IMPACT OF ASSET REVALUATION

	1T17	1T16
Assets Revaluation	26.614	37.959
Deferred Tax from rev. Of assets	-7.382	-10.785
Net effect from revaluation of assets	**19.232**	**27.174**

EBITDA (IN CLP MM)

					First Quarter
EBITDA BY COUNTRY	2017 CLP MM	Margin (%)	2016 CLP MM	Margin (%)	Δ %
CHILE - Supermarkets	*66.516*	*10,6%*	*64.613*	*10,3%*	*2,9%*
CHILE - Department Stores	*16.497*	*6,7%*	*9.482*	*4,1%*	*74,0%*
CHILE - Home Improvement	*8.982*	*6,6%*	*12.023*	*8,9%*	*-25,3%*
CHILE - Shopping Center	*53.990*	*149,1%*	*56.574*	*177,9%*	*-4,6%*
CHILE - Financial Services	*4.217*		*1.760*		*139,6%*
CHILE - Others	*9.213*		*14.922*		*-38,3%*
Chile	159.415	15,2%	159.374	15,5%	0,0%
Argentina	50.433	8,0%	63.547	10,2%	-20,6%
Brazil	-6.923	-1,7%	8.631	2,3%	-180,2%
Peru	18.580	7,9%	23.880	9,8%	-22,2%
Colombia	5.168	2,6%	3.164	1,5%	63,3%
Total	**226.673**		**258.597**		**-12,3%**
EBITDA margin (%)	**9,0%**		**10,4%**		**-144 bps**

First Quarter

EBITDA BY BUSINESS	2017 CLP MM	Margin (%)	2016 CLP MM	Margin (%)	Δ %
Supermarkets	98.668	5,4%	121.787	6,7%	-19,0%
Department Stores	13.730	5,2%	7.708	3,1%	78,1%
Home Improvement	31.187	9,4%	40.312	12,4%	-22,6%
Shopping Center	74.284	124,9%	81.591	151,1%	-9,0%
Financial Services	24.925	46,9%	17.736	44,6%	40,5%
Others	-16.120		-10.537		N.A.

Total	**226.673**	**258.597**	**-12,3%**
EBITDA margin (%)	**9,0%**	**10,4%**	**-144 bps**

	First Quarter				
	2017	Margin	2016	Margin	
ADJUSTED EBITDA BY BUSINESS	CLP MM	(%)	CLP MM	(%)	∆ %
Supermarkets	98.668	5,4%	121.787	6,7%	-19,0%
Department Stores	13.730	5,2%	7.708	3,1%	78,1%
Home Improvement	31.187	9,4%	40.312	12,4%	-22,6%
Shopping Center	47.670	80,1%	43.632	80,8%	9,3%
Financial Services	24.925	46,9%	17.736	44,6%	40,5%
Others	-44.950		-45.594		-1,4%
Total	**171.229**		**185.581**		**-7,7%**
Adjusted EBITDA margin (%)	**6,8%**		**7,5%**		**-69 bps**

BALANCE SHEET BY COUNTRY

	ASSETS			LIABILITIES			EQUITY		
	mar-17	dic-16	%	mar-17	dic-16	%	mar-17	dic-16	%
Chile	4.629.140	4.779.857	-3,2%	4.069.133	4.202.937	-3,2%	1.010.627	885.649	14,1%
Argentina	1.494.790	1.411.985	5,9%	821.940	813.236	1,1%	655.907	655.907	0,0%
Brazil	1.409.816	1.431.919	-1,5%	517.344	530.551	-2,5%	781.437	781.437	0,0%
Peru	1.241.528	1.240.939	0,0%	374.114	403.729	-7,3%	693.076	693.076	0,0%
Colombia	1.662.123	1.584.058	4,9%	445.837	414.253	7,6%	1.067.982	1.067.982	0,0%
Consolidate	**10.437.397**	**10.448.757**	**-0,1%**	**6.228.368**	**6.364.706**	**-2,1%**	**4.209.029**	**4.084.052**	**3,1%**

RECONCILIATION OF NON-IFRS MEASURES TO PROFIT/(LOSS)

This earnings release makes reference to certain non-IFRS measures, namely EBIT, EBITDA and Adjusted EBITDA. These non-IFRS measures are not recognized measures under IFRS, do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Accordingly, they should not be considered in isolation nor as a substitute for analysis of our financial information reported under IFRS. EBIT represents profit attributable to controlling shareholders before net interest expense and income taxes, EBITDA represents EBIT plus depreciation and amortization expense, Adjusted EBITDA represents EBITDA as further adjusted to reflect items set forth in the table below. EBIT, EBITDA and Adjusted EBITDA have important limitations as analytical tools. For example, neither EBIT, EBITDA nor Adjusted EBITDA reflect (a) our cash expenditures, or future requirements for capital expenditures or contractual commitments; (b) changes in, or cash requirements for, our working capital needs; (c) the significant interest expense, or the cash requirements necessary to service interest or principal payments, on our debt; and (d) tax payments or distributions to our parent to make payments with respect to taxes attributable to us that represent a reduction in cash available to us. Although we consider the items excluded in the calculation of non-IFRS measures to be less relevant to evaluate our performance, some of these items may continue to take place and accordingly may reduce the cash available to us. We believe that the presentation of the non-IFRS measures described above is appropriate. However, these non-IFRS measures have important limitations as analytical tools, and you should not consider them in isolation, or as substitutes for analysis of our results as reported under IFRS. In addition, because other companies may calculate EBITDA and Adjusted EBITDA differently than we do, EBITDA may not be, and Adjusted EBITDA as presented in this report is not, comparable to similarly titled measures reported by other companies. A reconciliation of our profit (loss) attributable to controlling shareholders, the most directly comparable IFRS financial measure, to EBITDA and to Adjusted EBITDA is set forth below:

	1Q17	1Q16	%
Profit (Loss)	**68.077**	**109.029**	**-37,6%**
Net Financial Costs	62.574	65.483	-4,4%
Result from Indexation Units	2.786	3.468	-19,7%
Result from Exchange Variations	-31.616	-38.526	-17,9%
Income taxes	35.915	32.805	9,5%
Depreciation & Amortization	60.106	51.280	17,2%
Revaluation of Investment Properties	-26.614	-37.959	-29,9%
Adjusted EBITDA	**171.229**	**185.581**	**-7,7%**

Reconciliation by Business

Quarter ended March 31, 2017 (in millions of CLP)

Information by Segment	SM	SHOP	HI	DS	FS	Others	Consolidate
Net Income	58.025	72.887	25.238	6.134	24.481	-118.688	68.077
Financial Expense (net)	0	0	0	0	0	62.574	62.574
Income Tax Charge	0	0	0	0	0	35.915	35.915
EBIT	**58.025**	**72.887**	**25.238**	**6.134**	**24.481**	**-20.198**	**166.567**
Depreciation and Amortization	40.643	1.397	5.949	7.596	443	4.078	60.106
EBITDA	**98.668**	**74.284**	**31.187**	**13.730**	**24.925**	**-16.120**	**226.673**
Exchange differences	0	0	0	0	0	-31.616	-31.616
Revaluation of Investment Properties	0	-26.614	0	0	0	0	-26.614
(Losses) gains from indexation	0	0	0	0	0	2.786	2.786
Adjusted EBITDA	**98.668**	**47.670**	**31.187**	**13.730**	**24.925**	**-44.950**	**171.229**

Quarter ended March 31, 2016 (in millions of CLP)

Information by Segment	SM	SHOP	HI	DS	FS	Others	Consolidate
Net Income	89.980	80.023	34.309	433	16.947	-112.663	109.029
Financial Expense (net)	0	0	0	0	0	65.483	65.483
Income Tax Charge	0	0	0	0	0	32.805	32.805
EBIT	**89.980**	**80.023**	**34.309**	**433**	**16.947**	**-14.375**	**207.317**
Depreciation and Amortization	31.807	1.568	6.003	7.276	789	3.838	51.280
EBITDA	**121.787**	**81.591**	**40.312**	**7.708**	**17.736**	**-10.537**	**258.597**
Exchange differences	0	0	0	0	0	-38.526	-38.526
Revaluation of Investment Properties	0	-37.959	0	0	0	0	-37.959
(Losses) gains from indexation	0	0	0	0	0	3.468	3.468
Adjusted EBITDA	**121.787**	**43.632**	**40.312**	**7.708**	**17.736**	**-45.594**	**185.581**

RECONCILIATION OF NON-IFRS MEASURES TO NET FINANCIAL DEBT[8]

We define net financial debt as total financial liabilities (a) less (i) total cash and cash equivalents, (ii) total other financial assets, current and non-current, and (iii) other financial liabilities, current and non-current, from Banco Paris and Banco Peru, (b) plus (i) cash and cash equivalents from Banco Paris and Banco Peru and (ii) total other financial assets, current and non-current, from Banco Paris and Banco Peru. Total financial liabilities are defined as Other financial liabilities, current, plus Other financial liabilities, non-current.

The IFRS financial measure most directly comparable to net financial debt is total financial liabilities, current and non-current, as reported in the notes to the Company's consolidated financial statements.

We believe that the presentation of net financial debt provides useful information to investors because our management reviews net financial debt as part of its management of our overall liquidity, financial flexibility, capital structure, covenants and leverage. Furthermore, certain debt rating agencies, creditors and credit analysts monitor our net financial debt as part of their assessments of our business.

For a quantitative reconciliation of total financial liabilities to net financial debt, see below.

(figures in CLP MM)	mar-17	mar-16
Total Financial Liabilities	**3.312.084**	**3.146.449**
Less: Total cash and cash equivalents	210.730	251.540
Less: Total other financial assets, current and non-current	395.865	451.505
Less: Total other financial liabilities from Banco Paris and Banco Peru, current and non-current	99.201	110.340
Plus: Cash and cash equivalents from Banco Paris and Banco Peru	34.152	21.554
Plus: Total other financial assets from Banco Paris and Banco Peru, current and non-current	-	51.512
Net Financial Debt	**2.640.439**	**2.406.131**

[8] Figures include assets and liabilities classified as held for sale. See Note 17.7 of the Financial Statements.

MACROECONOMIC INFORMATION

Exchange Rate (End of Period)	31/03/2017	31/03/2016	% change
CLP / USD	664,0	669,8	-0,9%
CLP / AR$	43,0	45,7	-5,7%
CLP / Colombian $	0,23	0,22	4,5%
CLP / Peruvian Nuevo Sol	205,0	201,6	1,7%
CLP / Brazilian Real	212,0	187,3	13,2%

Exchange Rate (Average)	31/03/2017	31/03/2016	% change
CLP / AR$	41,8	48,9	-14,6%
CLP / Colombian $	0,22	0,22	3,1%
CLP / Peruvian Nuevo Sol	199,54	203,74	-2,1%
CLP / Brazilian Real	208,5	179,7	16,0%

Inflación

	1T17	1T16
Chile	1,2%	1,1%
Brasil	0,96%	2,62%
Perú	3,97%	4,30%
Colombia	2,52%	3,55%

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