



CENCOSUD ANNOUNCES GUIDANCE FOR 2018

- For 2018, the Company expects revenues of USD 16,500 million¹ and an Adjusted EBITDA margin of 7.2%, based on the positive impact of the profitability plan executed in recent years, Omni-channel growth and a more favorable economic environment.
- Our capex base plan includes investments of USD 400 million, which could be revised upwards as our plan to divest non-core assets of up to USD 1,000 million announced at the end of August last year is executed.

Outlook for 2018

Cencosud continues to execute its Financial Strengthening and Business Profitability Plan, which is expected to achieve Consolidated Revenue equivalent to USD 16,500 million¹ in 2018, subject to exchange rate fluctuations against the Chilean peso. This is based on an acceleration in sales in Supermarkets, Home Improvement and Department Stores, in addition to significant growth of the online business, a continuation of strong performance in Shopping Center revenues, store openings and a better regional economic environment.

In addition, Cencosud expects to achieve an Adjusted EBITDA margin of 7.2% in 2018, driven by improvements across business divisions, as a result of the profitability plan and operational leverage, supported by stronger consumption, particularly in the Argentine market and the 4 other countries where Cencosud operates.

Investment Plan

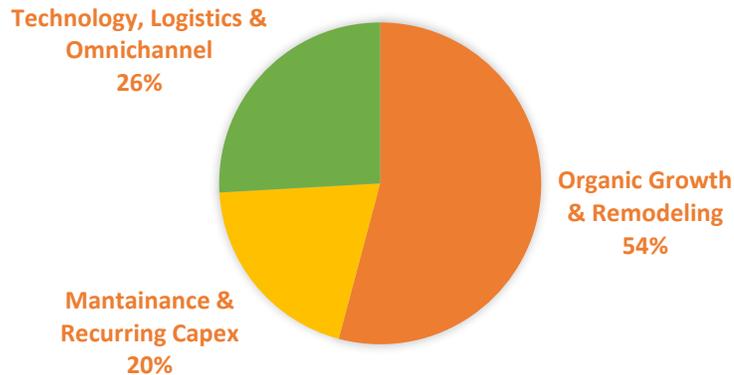
The Capex Plan for 2018 includes a base investment plan of USD 400 million, which could be revised upwards as the plan to divest non-core assets of up to USD 1,000 million is executed.

Investments remain focused on strengthening our value proposition and store competitiveness, innovation, improvements in logistics and technological capabilities, Omni-channel development, selective store openings, and the development of the remodeling plan. The Company also expects to continue to make headway in the construction of La Molina and La 65 Shopping Centers in Lima, Peru and Medellin, Colombia, respectively. The investment plan also includes the development of new Shopping Centers and expansion of existing Shopping Centers in the region.

¹ Considers the following average Exchange rates against USD for 2018:

Chile: 616 Argentina: 21 Brazil: 3,4 Colombia: 3.032 Peru: 3,28

GUIDANCE FOR 2018 - CAPEX



Advance on the Strategic Plan

Cencosud ended 2017 with 1,112 stores and 54 shopping centers. The Company continued to advance in the development of its three strategic pillars:

- Growth:** 7 stores were opened during the year: 4 in Chile, 2 in Argentina and 1 in Peru. These openings included 4 Supermarkets, 2 Department Stores and 1 Home Improvement. Furthermore, the Company completed the remodeling of 18 stores: 7 in Chile, 6 in Argentina and 5 in Brazil. In addition, the Portal Valdivia Shopping Center (GLA 12,000 sqm) were opened. Progress was made on the construction of the La Molina project in Peru (GLA 37,000 sqm) while a project in Medellin, Colombia commenced (GLA 87,000 sqm).
- Profitability:** The Company made significant progress improving efficiencies and increasing service standards. Among these, the launch of the new Refrigerated Food Distribution Center in Santiago was notable, with an area of 31,000 sqm and an automatic sorter. This enables improvements in operational efficiency by consolidating 3 distribution centers into one, as well as boosting processing capacity, quality and service. The energy saving program also continued through the implementation of LED lighting technology and renovation of cold equipment at stores. Likewise, savings were achieved in the bidding of service processes at both the national and regional level (such as energy, insurance, cleaning, and security) equipment and supplies.

On the financial front, key initiatives included the issuance of a USD 1,000 million bond in July maturing in 2027 at a rate of 4.419% - a record low for the Company. Funds were applied to repurchase a portion of the Bonds due in 2021 and 2023, improving our liquidity and debt amortization profile. At the end of August 2017, a plan for the sale of non-core assets for up to USD 1,000 million was announced, of which funds will be used to strengthen the Company's financial position, reduce debt, and accelerate organic growth. This plan is on track and its completion is estimated within 12 to 18 months from the date of announcement. In terms of the integration of financial systems, the administrative and financial operation of Brazil was integrated in SAP FICO Regional on Hana, with operations across all businesses in the 5 countries on the same platform and version of ERP.

- Trends:** The supermarkets division implemented the e-commerce cloud platform in both Colombia and Peru, and is still in pilot stages in Chile and Argentina. This platform will bring benefits in delivery capacity and a better response to demand peaks. Shopping alternatives and customer service improvements continued to progress, offering express delivery in Santiago, Chile (90 minutes) and Buenos Aires, Argentina (120 minutes), and increasing the range of the Click&Collect (C&C) service, where products are ordered online and collected from the store and DriveThru. To date, there are 213 C&C and 10 DriveThru locations in Argentina, 17 and 9 in Chile, respectively, and a pilot DriveThru in both Peru and Colombia. Additionally, the implementation of dropship sales in Argentina and Colombia has begun. At the same time, a new Point of Sale (POS) system was implemented in Chile, with benefits including a leading-edge promotions program, enabling us to implement self-checkout technology, and improve the customer experience. Peru initiated a transformational system program, implementing SAP Retail on Hana, a cutting-edge system that enables more efficient operational management.

The Department Store division implemented performance improvements in their platform, such as a redesign of the payment flow, the incorporation of an automatic fraud validation engine, and the redesign of the web navigation experience, with special focus on boosting apparel sales. The expansion of in-store pick-up (C&C) continued, reaching 55 different locations across Paris, Jumbo, Easy, Santa Isabel and other C&C locations. Moreover, Paris' in-store pick-up inventory was added to the digital channel, reaching the availability of more than 180 kiosks in store. Paris.cl received important recognitions, including the nomination of the best online retailer in Chile by the Ecommerce Institute and the Santiago Chamber of Commerce. It was also awarded Chile's number one site in mobile experience according to MDEX from IPG Media Brands, for being the most ground-breaking brand in the mobile field.

The Home Improvement division expanded its assortment through dropship sales. Argentina implemented an online payment system, which reduced delivery time to 24 hours. Similar to supermarkets, this business in Argentina migrated its website to the cloud platform, enabling a 3.3 times increase in capacity of simultaneous visits. Furthermore, new software now improves the in-store and on field assisted shopping experience, both for the wholesale and retail channels, by using apps in the omni-channel shopping experience.

Human Resources the Company implemented e-learning throughout the region, training 119,000 employees with 1,658 materials published on the e-platform, increasing the coverage and lowering the cost of training.

On the technology front, the *Lean-Agile* working system was adopted in software development. Progress was also made on the implementation of the multi-cloud infrastructure strategy.

In terms of Sustainability, Cencosud has been included in the Dow Jones Emerging Markets Index for second year in a row. In 2017, the Company also entered the Dow Jones MILA Pacific Alliance Index.

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Disclaimer

Cencosud is a multi-brand retailer that operates through different formats, including supermarkets, home improvement, shopping centers and department stores. Cencosud has its headquarters located in Chile and operations in Chile, Argentina, Brazil, Colombia and Peru.

The statements contained in this press release regarding prospects for the Company's business, operating projections / financial results, the potential for growth of the Company and the market and macroeconomic estimates are mere forecasts and are based on management expectations in relationship with the future of the Company. These expectations are highly dependent on changes in the market, the overall economic performance of Latin America in particular those of the countries where we have operations, industry and international markets and therefore subject to change.

<http://investors.cencosud.com/English/investor-overview/default.aspx>