



CENCOSUD ANNOUNCES GUIDANCE FOR 2017

- For 2017 the Company expects a progressive acceleration of revenue growth, reaching USD 16,500¹ million in the year, due to a better performance from the businesses, increased online business growth, selected store openings and an improved economic regional environment, particularly in Peru, Argentina and Brazil
- Continuing with the implemented Financial Strengthening and Profitability Plan, it would take Adjusted EBITDA to an expected range of 7.3% to 7.6%
- Capex Plan reaches USD 500 million for 2017 and it is estimated at USD 2,500 million for the next 4 years

Santiago, January 30, 2017.- Cencosud (NYSE: CNCO, SSE: CENCOSUD), informs about its expectations and investment plan ("*Guidance*") for 2017:

Prospects for 2017

Cencosud will continue to deepen its Financial Strengthening and Business Profitability Plan, progressively accelerating sales growth, as a result of the reinforcement of its Value Proposition, online business and organic growth on markets of greatest potential. The aforementioned also supported by greater maturity reached among the countries with operations, having reached a solid financial position and the prospect of a more favorable regional economic context, particularly in Peru, Argentina and Brazil

Consolidated Revenues are expected to reach the equivalent to USD 16,500 million¹ in the year (which will depend on currency fluctuations), and an Adjusted EBITDA in the range of 7.3% to 7.6%.

The Company will continue to advance on defined strategic pillars:

1) Reinforcement of its Value Proposition, shopping experience and Customer loyalty

The Plan to reinforce the Value Proposition and store competitiveness considers an increased pace on store remodeling, along with the standardization of operational processes and improved logistic capabilities.

A strategic impulse will be given to CRM and Customer Loyalty, through the implementation of a world class *Customer Centricity Platform*. This new SAP HANA tool – which first step will be in Chile – will provide a consolidated customer view through all formats and channels, allowing to manage and optimize online commercial, marketing and planning initiatives, generating sales and margin expansions.

2) Omnichannel developments, Innovation and leadership in new trends

Supermarkets: a new e-commerce platform will be implemented for Chile, Colombia, Argentina and Peru, to obtain synergies at the development and support for websites at

¹ Considers the following average Exchange rates against USD for 2017:

Chile: 687	Argentina: 17	Brazil: 3.4	Colombia: 3,020	Peru: 3.4
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food and greater demand adjustment capabilities. In Chile, *Click & Collect* and Drive thru availability will be expanded to all regional capitals, Self-Check Out will be implemented at 13 Jumbo stores and Self Scanning at 43 Santa Isabel stores, besides the 100% migration to a new check-out technology system. In Argentina, e-commerce coverage will be expanded to 100% of the cities where the brand has a store and Drive thru will be placed at 10 Disco and Jumbo stores. In Peru, *Click & Collect* will be executed at 4 locations and Drive thru at 2 stores; virtual kiosks will be offered at all non-food purchases and the web service for online purchases will be launched at Metro. In Colombia, 100% coverage of telephone sales will be achieved in cities where it has a store, Jumbo's e-commerce and Drive thru coverage will be expanded to Bogota, Medellin and Cali, *Click & Collect* to Bogotá, and will begin food e-commerce sales at Metro.

Department Stores: a new e-commerce website will be launched in Chile, to potentiate the visits conversion rate thru increased assortment and fewer steps to complete payment, allowing to optimize logistic operations and back-office. Green sales will be offered; resulting from technological integration with suppliers, which will permit us to offer greater assortment with lower inventories. In Peru, e-commerce operations will be inaugurated and a relevant step will be taken towards the widening of online assortment of products.

Home Improvement: WMS will begin to operate (Warehouse Management Software) at Easy Distribution Center in Chile, for the automation of orders; Green Sales will be potentiated and automated, *Click & Collect* service provided and a special module for sales to corporations will be implemented at Chile's website.

Shopping Centers: Wi-Fi service will be amplified at all of our main Shopping Centers, as well as mobile app developments.

Focus on *Health & Wellness*, environmental care, private label and exclusive brands penetration, and the implementation of Sustainability and CSR programs will be deepened in all the region.

3) Efficiency, productivity and financial discipline

We will continued to work on the review of underperforming stores and the search of efficiencies thru the consolidation of commercial and non-commercial purchase agreements (services, supplies, equipment, etc.) and over the optimization and automation of back-office services managed by the Shared Service Center.

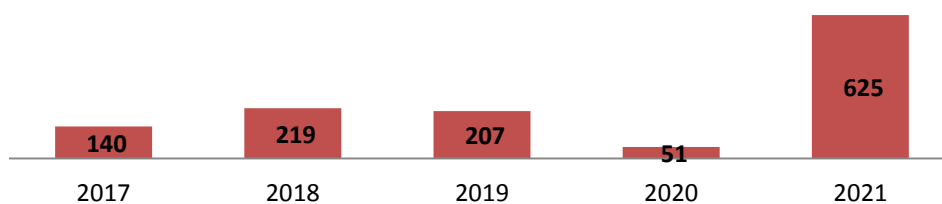
At logistics, the construction of a new Distribution Center for Easy will be initiated in Argentina, and the installation of an automatic *sorter* at Buenos Aires Distribution Center. At Department Stores, CD's mechanization will be widened. In Colombia, the strengthening of perishables distribution network is foreseen at country level, and in Peru, an *upgrade* of ERP SAP platform will be implemented.

In Brazil, changes in processes are expected to secure levels of availability of products above 90%, the automation of the product registration system in SAP (Cadastro) will be completed and wifi collectors will be implemented to receive products in store.

Cencosud will continue with the Plan of sale of non-core assets and businesses and evaluating alternatives that will accelerate the development of the real estate potential across the Region.

Although the company has a solid level of liquidity and a comfortable maturity profile, financial discipline will continue to focus on gradually strengthening of financial and debt indicators.

Amortization Schedule (USD millions)²



² Figures as of September 30, 2016 pro-forma post local bond issuance. Gross debt amortization, net from mark to market derivatives associated to each of the liabilities.

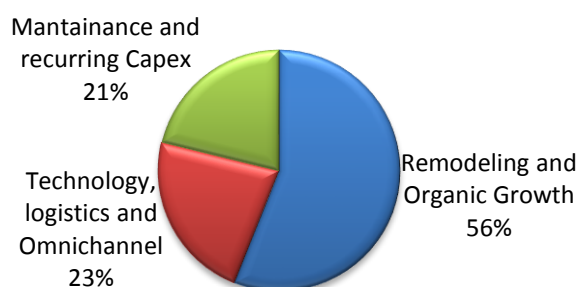
Investment Plan

During 2016, 15 new stores were opened: 12 Supermarkets, 2 Department Stores and 1 Home Improvement Store. In addition, a new Perishable Distribution Center was inaugurated in Chile, the construction of 2 Shopping Centers was started; One in La Molina, Peru and another in Valdivia, Chile and the extension of the Restaurants Boulevard in Alto Las Condes. In parallel, 38 remodeling projects were developed – distributed in the 5 countries – 27 of which were completed within the year.

By 2017, the focus of investments will continue to be on strengthening of the Value Proposition and competitiveness of stores, innovation and improvement in logistics and technological capabilities, Omnichannel development and growth in sales area through selective opening of stores and the acceleration of remodeling Plan. In addition to the above, will start the development of new Shopping Centers in the Region and expansion of existing malls.

Organic growth for the next 4 years includes investments of USD 2.5 billion, while 2017 Capex is estimated at USD 500 million, which will be financed mainly by the generation of own resources.

Capex distribution for 2017 by Investment type



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Disclaimer

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