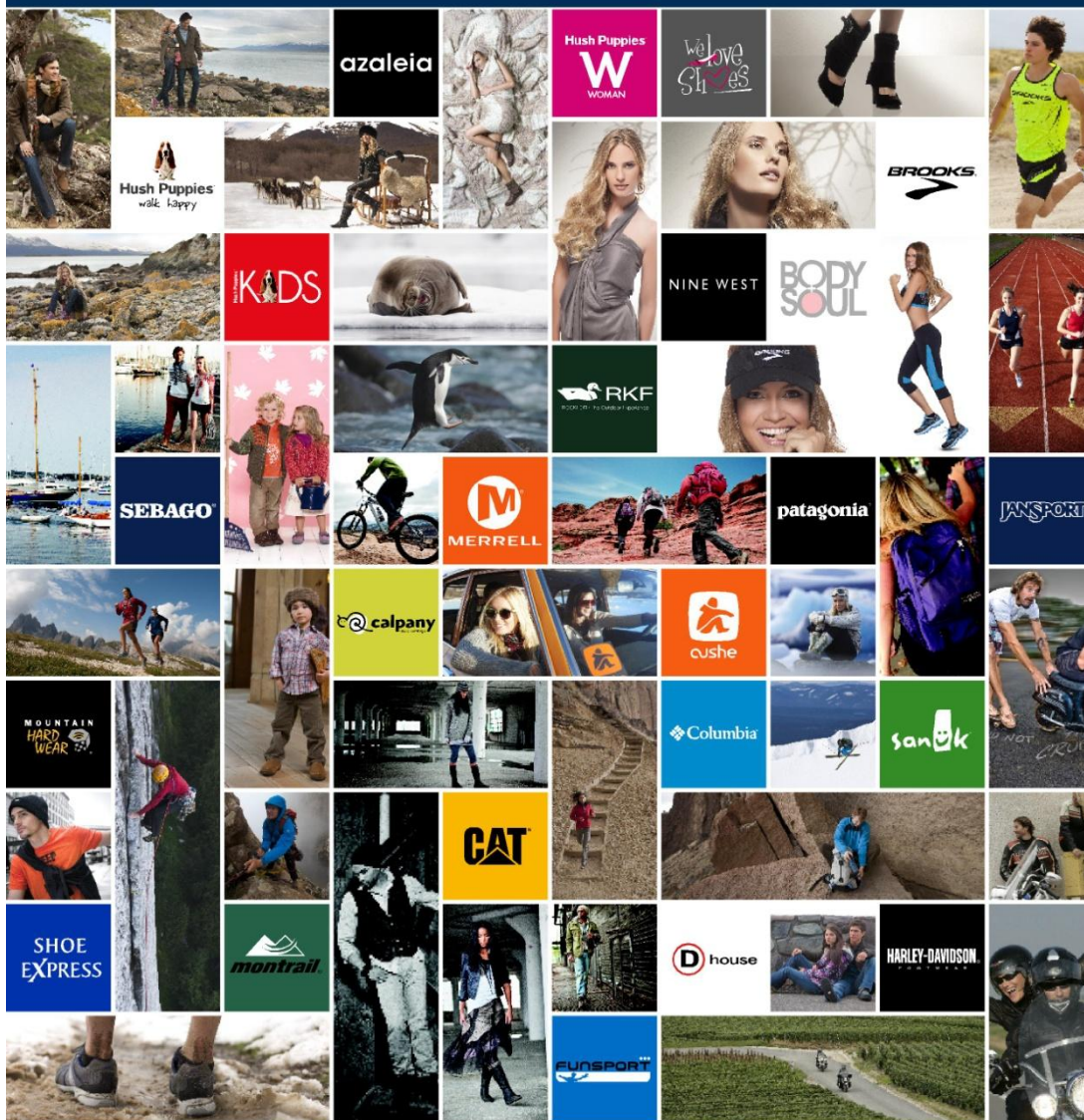


FORUS S.A.
brands & retail.

FINANCIAL REPORT
FIRST QUARTER 2011



MAY 2011

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Notes:

- All figures in dollars are calculated using the observed dollar exchange rate for April 1, 2011 (Ch\$ 479.46 per US\$1).
- Symbols for periods in the year: Quarters: 1Q (first quarter), 2Q (second quarter), 3Q (third quarter) and 4Q (fourth quarter). 1S (First semester) and 9M (first nine months of the year), as applicable.
- Currency symbols: Ch\$: Chilean pesos; US\$: U.S. dollars; MM: millions.

- EBITDA of Ch\$8,849 million (US\$ 18.5 million) increased by 51.1% reaching an EBITDA margin of 26.1%. It grew in 6.9 percentage points in comparison with the 19.1% EBITDA margin during 1Q'10.
- Net Profit increased by 39.0% to Ch\$6,869 million (US\$ 14.3 million). As a percentage of net revenues, it represents 20.3% during first quarter 2011, which means an increase in 4.1 percentage points compared with the 16.2% obtained during 1Q'10.
- Consolidated Revenues increased by 10.9% in the 1Q 2011 to Ch\$33,918 million (US\$ 70.7 million).
- Gross Margin of Ch\$19,611 million (US\$ 40.9 million) increased by 22.2%, obtaining a gross margin of 57.8% as a percentage of net Revenues in the 1Q 2011. It was higher in 5.3 percentage points than the 52.5% obtained in the 1Q'10.
- Operating Income increased by 57.2% in the 1Q 2011 to Ch\$ 8,040 million (US\$ 16.8 million). The Operating margin grew from 16.7% in 1Q'10 to 23.7% in 1Q'11.
- The Revenues from the international operations in Colombia, Peru and Uruguay represented 14.5% of the consolidated revenues in the 1Q 2011.

Stores Opening

Total of new stores opened in 1Q 2011: 7 stores

During the 1st quarter 2011 the following new stores were opened:

Chile: 6 stores

- One Columbia store with 98 square meters, located in Plaza Antofagasta mall, in Antofagasta city.
- One Hush Puppies store with 97 square meters, located in Plaza Vespucio mall, in Aires Vespucio zone, in Santiago.
- One Rockford store with 135 square meters, located in Portal Ñuñoa mall, in Santiago.
- One Hush Puppies Kids store with 98 square meters, located in Curico mall, in Curico city.
- Two Brooks stores with 121 and 84 square meters each, located in Plaza Norte mall and mall Sport respectively, in Santiago city.

Peru: 1 store

- One Hush Puppies store with 55 square meters, located in Piura city.

Pasqualini's stores Remodeling in Uruguay

During this first quarter 2011 were remodeled three Pasqualini stores. This means that the 100% of the Pasqualini's stores are under the new architectural and design format defined for this chain of stores.



Consolidated Income Statement - IFRS



FORUS S.A. & SUBSIDIARIES

Consolidated Income Statement 1st Quarter expressed in Thousands of Chilean Pesos from January 1st to March 31

	1Q '11 Th Ch\$	% Revenues	1Q '10 Th Ch\$	% Revenues	Var. % 11/10
Revenues	33.918.035		30.592.280		10,9%
Cost of Sales	(14.306.815)	-42,2%	(14.540.569)	-47,5%	-1,6%
Gross Margin	19.611.220	57,8%	16.051.711	52,5%	22,2%
Selling, General and Administrative Expenses	(11.571.125)	-34,1%	(10.938.534)	-35,8%	5,8%
Operating Income	8.040.095	23,7%	5.113.177	16,7%	57,2%
Other incomes of total operation	14.102	0,0%	34.624	0,1%	-59,3%
Other expenses of total operation	(23.654)	-0,1%	(1.896)	0,0%	1147,6%
Other gains and losses	3.139		(23.884)		
Financial Income	509.674		208.284		144,7%
Financial Expenses	(144.095)		(69.658)		106,9%
Participation in gains (losses) of joint venture businesses accounted by using the proportional value of participation	33.115		156.130		-78,8%
Exchange Differentials	250.588		340.736		-26,5%
Result of Indexation units	73		61.483		-99,9%
Non-Operating Income	642.942	1,9%	705.819	2,3%	-8,9%
Profit before income tax	8.683.037	25,6%	5.818.996	19,0%	49,2%
(Expenses) Income Taxes	(1.813.750)		(876.377)		107,0%
Profit (loss)	6.869.287	20,3%	4.942.619	16,2%	39,0%
Profit (loss) attributable to equity holders of parent	6.884.743		4.948.878		39,1%
Profit (loss) attributable to minority interest	(15.456)		(6.259)		146,9%
Profit (loss)	6.869.287	20,3%	4.942.619	16,2%	39,0%
EBITDA	8.848.911	26,1%	5.856.285	19,1%	51,1%

Operating Income

- **Consolidated Revenues increased by 10.9% in the 1Q 2011 to Ch \$33,918 million (US\$ 70.7 million).**

In Chile, Forus sales increased 12.5%, totalizing Ch\$29,418 million (US\$ 61.4 million) during 1Q 2011. This increase in sales is explained solely by growth in the Retail Business, where sales of Ch\$19,649 million (US\$ 41.0 million) increased a strong 29.9% regarding the previous quarter. On the other hand, Wholesale Business reached sales of Ch\$9,770 million (US\$ 20.4 million), with a decrease of 11.3%. The good results in the Retail Business are explained by a higher consumption that the trade sector experienced in the national economy, as well as an excellent performance of our chains of stores and of our brands. Performance of Cat, Merrell and Hush Puppies Kids brands stand out with a growth of more than 50%; a high growth over 40% was also observed in SSS sales of our chains We Love Shoes, Cat and Nine West during 1Q'11 regarding 1Q'10.

Retail business, which represented 66.8% of Chile's total income, grew a nominal 18.9% in Chilean SSS sales. It is worth noting the strong growth of 15.0% in sales per square meter during 1Q 2011.

Wholesale Business, which revenues represented 33.2% of Chile's total revenues, decreased 11.3%. This is explained by the absence of the brand Brooks Selection this 1Q'11 regarding 1Q'10; so, if revenues of this brand were deducted during 1Q'10, Wholesale Business would have grown in 1Q'11 a 23.2%, hence we highlight the important growth of the rest of our brands sold through this Wholesale channel.

Regarding international subsidiaries, sales grew 8.0% as a whole and 24.2% if we deduct intercompany sales performed by Forus Colombia to Forus Chile during 1Q 2010.

Results of these subsidiaries are as follows:

Revenues (Million Ch\$)

	1Q '11	1Q '10	Var. % 11/10
Colombia	689	1.251	-44,9%
Peru	2.011	1.445	39,2%
Uruguay	2.219	1.860	19,3%
Total	4.919	4.556	8,0%

Same Store Sales. Data in nominal values (in local currency)

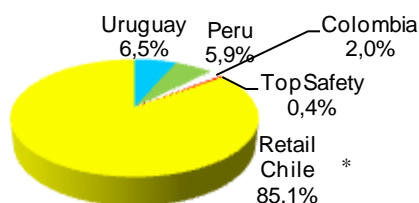
	1Q '11	1Q '10	2011	2010
Colombia	15,0%	0,0%	15,0%	0,0%
Peru	27,1%	-12,9%	27,1%	-12,9%
Uruguay	24,3%	16,4%	24,3%	16,4%

- In **Peru** sales increased 39.2% during 1Q'11 and SSS sales grew 27.1% nominal. This increase is both due to our chains' good performance as well as the high growth experienced in the Wholesale Business, especially with Hush Puppies and Columbia brands.
- In **Uruguay** sales increased 19.3% in 1Q'11 and SSS sales grew 24.3% nominal. This increase is explained by the good performance of its economy in the trade sector, as well as an excellent performance of our chains of stores and brands, where the recent inclusion of the Brand Hush Puppies Kids in the Hush Puppies and D House chains has presented outstanding results. It must be noted that if the refurbishing of three stores of our Pasqualini chain would not had taken place, growth in revenues would have been much higher, considering this meant having the stores closed for an average of a month each, which clearly affects sales.
- In **Colombia** sales decreased 44.9% in 1Q'11 and SSS sales grew 15.0% nominal. This gap between sales' growth and SSS sales is explained by a sale performed by Forus Colombia to Forus Chile for Ch\$596 million (US\$ 1.2 million) in 1Q'10, which represented 48% of that quarter's total revenues. So, if we deduct this intercompany transaction, sales would have had a real increase of 5.2%.

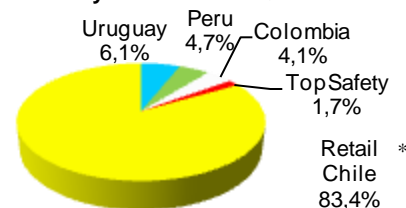
- Regarding our national subsidiary **TopSafety** (and subsidiary Forus Safety; company dedicated to industrial safety footwear business) sales decreased 76.1% in 1Q 2011. This fall in sales- as explained in 4Q 2010 Financial Report- is due to a corporate separation, where Forus breaks away from former partners and stays with its own brands (Norseg, North, Wolverine and Cat) and the other partners with theirs.

Operating revenues of Colombia, Peru and Uruguay represented 14.5% of consolidated revenues during 1Q'11.

Revenues by Subsidiaries 1Q 2011



Revenues by Subsidiaries 1Q 2010



* Retail Chile: Retail + Wholesale business in Chile.

- Gross Margin of Ch\$19,611 million (US\$ 40.9 million) increased by 22.2%, obtaining a gross margin of 57.8% as a percentage of net Revenues in the 1Q 2011. It was higher in 5.3 percentage points than the 52.5% obtained in the 1Q'10.**

Chile's individual gross margin grew 23.0% regarding 1Q 2010, totalizing Ch\$17,100 million (US\$ 35.7 million). A percentage margin of 58.1% over sales was obtained, which improved by 8.2 percentage points, compared to 49.9% obtained in 1Q '10. This growth is due to a growth in gross margin of Retail business, which increased 45.7% since the cost of sales grew in a lesser proportion than the growth in revenues. This is explained by the Company's continuous revenue management policy and also due to the lower dollar exchange rate when both the spring/summer 2010 collection entered last year as this year's school collection and fall/winter collection, compared to

the previous year. The spring/ summer 2010 collection entered the country mostly in September 2010 with a dollar at \$495.3, 10.2% lower compared to the dollar in September 2009 at \$551.6. This decline of 10.2% favorably impacts the cost of sales of these products. On the other hand, our new school and fall/winter 2011 collections entered the country mostly in December 2010 and January 2011 with an average dollar at \$476.6, a 7.6% lower than the exchange rate of December 2009 and January 2010 (\$515.6), which has a favorable impact on the cost of sales of these products.

Gross margin in Wholesale Business decreased 10.6% mainly due to the absence of the brand Brooks Selection this year, and if we deduce this brand from the gross margin of 1Q'10, we would present an increase in gross margin of 24.3% during 1Q'11. It must be noted that decrease in the cost of sales was proportionally higher than the decrease in revenues.

Regarding gross margin of international subsidiaries, during 1Q'11 it grows as a whole 22.2%, reaching Ch\$2,484 million (US\$ 5.2 million). Gross margin growths in Peru and Uruguay must be highlighted positively. Peru's gross margin increased 47.9% and Uruguay's increased 16.6%, thus also highlighting a rise in gross margin as a percentage of revenues of 3.1 percentage points in Peru, from 49.2% in 1Q'10 to 52.2% in 1Q'11, as well as Colombia's which grows 22.7 percentage points, from 34.3% in 1Q'10 to 57.1% in 1Q'11.

- **Operating Income increased by 57.2% in the 1Q 2011 to Ch\$ 8,040 million (US\$ 16.8 million). The Operating margin grew from 16.7% in 1Q'10 to 23.7% in 1Q'11.**

This strong growth in the operating income of Forus Consolidated is explained mostly by the improvement in its gross margin of 22.2% together with a reduction in the proportion of selling and administrative expenses as a percentage of revenues, which fell 1.6 percentage points, from 35.8% of revenues in 1Q'10 to 34.1% of revenues in 1Q'11.

Growth in the Individual Operating Income (Forus Chile) explains 95% of total income, reaching Ch\$7,642 million (US\$ 15.9 million) rising 57.4% regarding 1Q'10. Chile Retail business's Operating Income of Ch\$4,544 million (US\$ 9.5 million), grew a strong 99.0% due to the improvement in gross margin and a reduction in selling and administrative expenses, these last representing 39.8% of revenues in 1Q'10 and a lesser 35.8% in 1Q'11. On the other side, in the Wholesale business, Operating Income was of Ch\$3,098 million (US\$ 6.5 million), increasing 20.4% due to a fall in selling and administrative expenses, from representing 27.4% of revenues in 1Q'10 to 19.5% of revenues in 1Q'11. Regarding international subsidiaries, these present an outstanding growth of their Operating Income of 96.3%, obtaining the following Operating Incomes:

- **Colombia:** Its Operational Result increases 14.6%, from a loss of Ch\$71 million (US\$ 0.15 million) in 1Q'10 to a loss of Ch\$60 million (US\$ 0.13 million) in 1Q'11.
- **Peru:** Its Operational Result rises 198.1%, obtaining Ch\$291 million (US\$ 0.61 million) in 1Q'11. We highlight the fall in 4.6 percentage points in selling and administrative expenses as a percentage of income, decreasing from 42.4% of sales in 1Q'10 to 37.8% of sales in 1Q'11.
- **Uruguay:** Its Operational Income of Ch\$270 million (US\$ 0.56 million) grows 18.4% regarding 1Q'10. Selling and administrative expenses as a percentage of revenues decrease 1.0 percentage point, falling from 35.7% of revenues in 1Q'10 to 34.7% of revenues in 1Q'11.

Non-Operating Income

- **Non-Operating Income totaled Ch\$643 million (US\$ 1.3 million), decreasing 8.9% regarding the 1Q'10.**

This profit of the Non-Operating Result is explained by the Financial Income account, which presented a profit of Ch\$510 million (US\$ 1.1 million), 144.7%

Analysis of Consolidated Results

higher regarding the previous quarter and also due to the Exchange Differentials account with Ch\$251 million (US\$ 0.5 million).

The Financial Income are explained by the profitability obtained in the handling of the Company's cash and cash equivalents and other current financial assets.

Net Profit and EBITDA

- **Net Profit increased by 39.0% to Ch\$6,869 million (US\$ 14.3 million).**

As a percentage of net revenues, it represents 20.3% during first quarter 2011, which means an increase in 4.1 percentage points compared with the 16.2% obtained during 1Q'10.

- **EBITDA of Ch\$8,849 million (US\$ 18.5 million) increased by 51.1% reaching an EBITDA margin of 26.1%. It grew in 6.9 percentage points in comparison with the 19.1% EBITDA margin during 1Q'10.**

Chile's EBITDA increased 54.0% obtaining Ch\$8,193 million (US\$ 17.1 million), thus representing a spectacular EBITDA margin of **27.8%**, which improved 7.5 percentage points regarding 1Q'10, when it reached 20.4%.

CHILE

• **Retail**

(Million Ch\$)

P&L	1Q '11	1Q '10	Var. % 11/10
Revenues	19.649	15.130	29,9%
Cost of Sales	-7.548	-6.823	10,6%
Gross Margin	12.100	8.306	45,7%
Operating Income	4.544	2.283	99,0%
Operating Income %	23,1%	15,1%	

Same Store Sales Growth

Data in nominal values (in local currency)

	1Q '11	1Q '10	2011	2010
Growth Retail Sales	18,9%	7,4%	18,9%	7,4%

Stores Openings / Closings

	Date	Chain	Store	Sq.meters
Opening	jan-11	Columbia	Plaza Antofagasta	98
Opening	jan-11	Hush Puppies	Aires Vespucio	97
Opening	feb-11	Rockford	Portal Ñuñoa	135
Opening	feb-11	Hush Puppies Kids	Mall Curico	98
Opening	feb-11	Brooks	Plaza Norte	121
Opening	march-11	Brooks	Mall Sport	84
Total				633

Change in Total square meters

	March-11	March-10	Var. 11/10	Var. % 11/10
N° Stores	204	187	17	9,1%
Square meters	24.871	22.027	2.844	12,9%

CHILE

- **Wholesale**

(Million Ch\$)

P&L	1Q '11	1Q '10	Var. % 11/10
Revenues	9.770	11.016	-11,3%
Cost of Sales	-4.770	-5.421	-12,0%
Gross Margin	5.000	5.595	-10,6%
Operating Income	3.098	2.573	20,4%
<i>Operating Income</i>	31,7%	23,4%	

- **TopSafety**

(Million Ch\$)

P&L	1Q '11	1Q '10	Var. % 11/10
Revenues	127	531	-76,1%
Cost of Sales	-100	-413	-75,8%
Gross Margin	27	118	-77,2%
Operating income	-103	14	-839,8%
<i>Operating income</i>	-80,9%	2,6%	

COLOMBIA

(Million Ch\$)

P&L	1Q '11	1Q '10	Var. % 11/10
Revenues	689	1.251	-44,9%
Cost of Sales	-296	-822	-64,0%
Gross Margin	393	430	-8,4%
Operating income	-60	-71	-14,6%
<i>Operating Income %</i>	<i>-8,7%</i>	<i>-5,6%</i>	

Same Store Sales Growth

Data in nominal values (in local currency)

	1Q '11	1Q '10	2011	2010
Growth Retail Sales	15,0%	0,0%	15,0%	0,0%

Stores Openings / Closings

There were any movement in openings and closings of stores during this first quarter 1Q 2011.

Change in Total square meters

	March-11	March-10	Var. 11/10	Var. % 11/10
N° Stores	17	18	-1	-5,6%
Square meters	1.268	1.344	-76	-5,7%

PERU

(Million Ch\$)

P&L	1Q '11	1Q '10	Var. % 11/10
Revenues	2.011	1.445	39,2%
Cost of Sales	-961	-735	30,8%
Gross Margin	1.050	710	47,9%
Operating Income	291	98	198,1%
Operating Income %	14,5%	6,8%	

Same Store Sales Growth

Data in nominal values (in local currency)

	1Q '11	1Q '10	2011	2010
Growth Retail Sales	27,1%	-12,9%	27,1%	-12,9%

Stores Openings / Closings

	Date	Chain	Store	Sq.meters
Opening	feb-11	Hush Puppies	Piura	55
Total				55

Change in Total square meters

	March-11	March-10	Var. 11/10	Var. % 11/10
N° Stores	29	25	4	16,0%
Square meters	2.928	2.622	306	11,7%

URUGUAY

(Million Ch\$)

P&L	1Q '11	1Q '10	Var. % 11/10
Revenues	2.219	1.860	19,3%
Cost of Sales	-1.178	-967	21,8%
Gross Margin	1.041	893	16,6%
Operating Income	270	228	18,4%
Operating Income %	12,2%	12,3%	

Same Store Sales Growth

Data in nominal values (in local currency)

	1Q '11	1Q '10	2011	2010
Growth Retail Sales	24,3%	16,4%	24,3%	16,4%

Stores Openings / Closings

	Date	Chain	Store	Sq.meters
Closing	march-11	Pasqualini	Shopping Tres Cr	-43
Total				-43

Note: The Shopping Tres Cruces' store was temporarily closed due a refurbishment, so it will open again at the end of May of this year.

Change in Total square meters

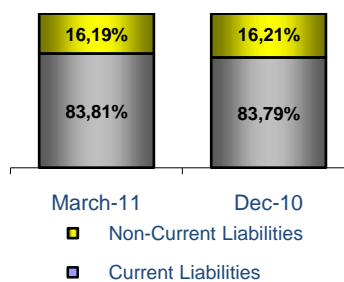
	March-11	March-10	Var. 11/10	Var. % 11/10
N° Stores	23	23	0	0,0%
Square meters	2.215	2.143	72	3,4%

- Liquidity Ratios**

	Units	March-11	Dec-10
Current liquidity	times	4,30	4,06
Acid ratio	times	2,93	2,74

- Financial Ratios**

	Units	March-11	Dec-10
Liabilities composition			
Current Liabilities	%	83,81%	83,79%
Non-Current Liabilities	%	16,19%	16,21%



	Units	March-11	Dec-10
Leverage	times	0,27	0,29

- Profitability Ratios**

	Units	March-11
ROA	%	6,06%
ROS	%	20,25%
ROE	%	7,68%

All data is in term of Consolidated Forus.

Consolidated Balance Sheets



FORUS S.A. & SUBSIDIARIES CONSOLIDATED BALANCE SHEETS

expressed in Thousands of Chilean Pesos as of March 31, 2011 and 2010

	March 31, 2011 Th Ch\$	March 31, 2010 Th Ch\$
ASSETS		
Current Assets		
Cash and cash equivalents	7.531.602	9.872.214
Other financial assets, current	29.845.345	23.225.009
Other non-financial assets, current	1.512.133	1.425.288
Trade and other account receivables	19.289.896	14.512.913
Accounts receivables from related companies	956	189.506
Inventories	27.388.348	25.974.196
Tax Assets, current	269.482	1.610.375
Total Current Assets	85.837.762	76.809.501
Non-Current Assets		
Other financial assets, Non-current	345.040	345.783
Other non-financial assets, Non-current	5.888	12.230
Fees receivables, Non-current	147.620	150.669
Investments in Associated	1.304.217	1.182.253
Net intangibles assets	2.421.328	2.322.094
Goodwill	1.313.532	1.545.105
Property, plant and equipments	20.503.139	14.026.358
Deferred tax Assets	1.523.694	1.195.968
Total Non-Current Assets	27.564.458	20.780.460
TOTAL ASSETS	113.402.220	97.589.961
LIABILITIES		
Current Liabilities		
Other financial liabilities, current	3.111.241	2.268.992
Current trade and other current accounts payable	6.970.398	4.729.982
Other current Provisions	3.282.619	1.049.786
Current tax liabilities	1.435.857	-
Current Provisions for employees benefits	1.416.285	1.857.554
Other non-financial liabilities, current	3.747.262	3.834.168
Total Current Liabilities	19.963.662	13.740.482
Non-Current Liabilities		
Other non-current financial liabilities	699.738	1.841.720
Other non-current accounts payable	1.935.488	1.954.803
Deferred taxes liabilities	1.209.557	1.050.081
Other non-financial non-current liabilities	11.865	118.735
Total Non-Current Liabilities	3.856.648	4.965.339
SHAREHOLDER'S EQUITY		
Paid-in capital	24.242.787	24.242.787
Retained earnings	48.505.908	37.744.477
Issue Premium	17.386.164	17.386.164
Other reserves	(669.953)	(646.297)
Equity attributable to equity holders of the parent	89.464.906	78.727.131
Non-controlling interest	117.004	157.009
Total Net Equity	89.581.910	78.884.140
TOTAL NET EQUITY AND LIABILITIES	113.402.220	97.589.961

Consolidated Income Statement



FORUS S.A. & SUBSIDIARIES CONSOLIDATED INCOME STATEMENT

expressed in Thousands of Chilean Pesos as of March 31

	2011 Th Ch\$	2010 Th Ch\$
Revenues	33.918.035	30.592.280
Cost of Sales	(14.306.815)	(14.540.569)
Gross Margin	19.611.220	16.051.711
Other incomes of total operation	14.102	34.624
Logistic costs	(366.596)	(346.464)
Administrative Expenses	(11.204.529)	(10.592.070)
Other costs of total operation	(23.654)	(1.896)
Other gains or (losses)	3.139	(23.884)
Financial Income	509.674	208.284
Financial Expenses	(144.095)	(69.658)
Participation in gains (losses) of joint venture businesses accounted by using the proportional value of participation	33.115	156.130
Exchange Differentials	250.588	340.736
Result of Indexation units	73	61.483
Profit before income tax	8.683.037	5.818.996
Income Taxes	(1.813.750)	(876.377)
Profit (loss)	6.869.287	4.942.619
Profit (loss) attributable to equity holders of parent	6.884.743	4.948.878
Profit (loss) attributable to minority interest	(15.456)	(6.259)
Profit (loss)	6.869.287	4.942.619
Net Income per Share		
Common shares		
Income per Share	\$ 26,5768	\$ 19,1227

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