

FORUS  
brands & retail

# FINANCIAL REPORT

SECOND QUARTER 2014

AUGUST 2014



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**Notes:**

- All figures in dollars are calculated using the observed dollar exchange rate for July 1, 2014 (Ch\$ 552,72 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.
- Other symbols: SSS (Same store sales).
- Currency symbols: Ch\$: Chilean pesos; US\$: U.S. dollars; MM: millions.

- The Second Quarter 2014 Consolidated Revenues increased by 20.9% to Ch\$ 61,574 million (US\$ 111.4 million).
- Gross Margin of Ch\$ 36,195 million (US\$ 65.5 million) increased by 15.8%, obtaining a gross margin of 58.8% as a percentage of net Revenues in the 2Q 2014.
- Operating Income increased by 7.1% in the 2Q 2014 to Ch\$ 14,771 million (US\$ 26.7 million). The Operating margin reached a 24.0% of Revenues in 2Q'14.
- EBITDA of Ch\$ 16,380 million (US\$ 29.6 million) increased by 7.7%, reaching an EBITDA margin of 26.6% in the 2Q 2014.
- Net Profit decreased by -3.8% to Ch\$ 12,150 million (US\$ 22.0 million). As a percentage of net revenues, it represents 19.7%.
- The Revenues from the International Operations in Colombia, Peru and Uruguay represented 19.0% of the Consolidated Revenues in the 2Q 2014, this is 2.3 percentage points higher than the 16.7% of the consolidated revenues in 2Q'13.

- Consolidated Revenues increased by 19.7% as of June 2014 to Ch\$ 117.166 million (US\$ 212.0 million).
- Gross Margin of Ch\$ 66,793 million (US\$ 120.8 million) increased by 15.0%, obtaining a gross margin of 57.0% as a percentage of net Revenues as of June 2014.
- In June 2014 Operating Income increased by 2.7% to Ch\$ 25,719 million (US\$ 46.5 million) and the Operating margin reached a 22.0% of Revenues.
- EBITDA of Ch\$ 28,856 million (US\$ 52.2 million) increased by 4.3%, reaching an EBITDA margin of 24.6% in June 2014.
- Net Profit increased by 2.4% to Ch\$ 21.964 million (US\$ 39.7 million). As a percentage of net revenues, it represents 18.7% as of June 2014.
- The Revenues from the international operations in Colombia, Peru and Uruguay represented 18.2% of the consolidated revenues in the 1S'14, 2.5 percentage points above the 15.7% in 1S'13.

**Stores Opening**

**Total of new stores opened in 2Q 2014: 17 stores**

During the 2Q 2014 the company opened the following new stores:

Country	# Stores	Chain	Store	City	Sq. meters
<b>Chile</b>		Caterpillar	Mall Plaza Oeste	Santiago	95
		Merrell	Mall Plaza Oeste	Santiago	57
		Hush Puppies Kids	Mall Plaza el Roble	Chillán	64
		We love Shoes	Mall Plaza el Roble	Chillán	117
<b>Total</b>	<b>4</b>				<b>333</b>
<b>Colombia</b>		Caterpillar	Centro Mayor	Bogotá	77
		Hush Puppies	San Pedro	Neiva	80
		Caterpillar	El Tesoro	Medellín	61
		Caterpillar	San Pedro	Neiva	86
<b>Total</b>	<b>4</b>				<b>304</b>
<b>Peru</b>		Hush Puppies	Salaverry	Lima	73
		Hush Puppies Kids	Salaverry	Lima	61
		Rockford	Salaverry	Lima	71
		Columbia	Salaverry	Lima	55
		Shoe Express	Surco 2	Lima	74
<b>Total</b>	<b>5</b>				<b>334</b>
<b>Uruguay</b>		Shoe Express	La Blanqueada	Montevideo	164
		Shoe Express	Libres	Montevideo	30
		Shoe Express	Magallanes	Montevideo	33
		Shoe Express	Cipriano Miro	Montevideo	105
<b>Total</b>	<b>4</b>				<b>332</b>
<b>Total</b>	<b>17</b>				<b>1.303</b>

**Launch e- commerce 7veinte**

In May 2014 the concept store **7veinte** launched the e-commerce platform on their website ([www.7veinte.cl](http://www.7veinte.cl)), the first multi-brand website (including the brands: Burton, Skullcandy, Dakine, Habitat, Cushe, Keds, among others). This is the fifth Forus' e-commerce platform, since the launch of the brand Cat in May ([www.cat.cl](http://www.cat.cl)), Columbia in September ([www.columbiachile.cl](http://www.columbiachile.cl)), the brand Merrell in November 2013 ([www.merrell.cl](http://www.merrell.cl)), and the brand Jansport in January 2014 ([www.jansport.cl](http://www.jansport.cl)).

**Awards received by Forus**

Forus have been awarded in USA by their licensors Wolverine World Wide Inc, Brooks Inc and Columbia Sportswear with 5 awards in total, which are the following:

**2013 World Best Distributor**, for the brands:

Caterpillar in Chile

Cushe in Chile

Columbia in Peru

**2012 World Outsanding Performance**, for the brand:

Caterpillar Apparel in Uruguay

**2013 World Best in Revenue's Growth**, for the brand:

Hush Puppies in Peru

FORUS S.A. & SUBSIDIARIES

Consolidated Income Statement 2nd Quarter

expressed in Thousands of Chilean Pesos from April 1st to June 30

	2Q'14	% Revenues	2Q'13	% Revenues	Var. % 14/13
	Th Ch\$		Th Ch\$		
Revenues	61.573.881		50.931.836		20,9%
Cost of Sales	(25.378.880)	-41,2%	(19.669.355)	-38,6%	29,0%
<b>Gross Margin</b>	<b>36.195.001</b>	<b>58,8%</b>	<b>31.262.481</b>	<b>61,4%</b>	<b>15,8%</b>
Logistic costs	(518.762)	-0,8%	(451.353)	-0,9%	14,9%
Administrative Expenses	(20.905.278)	-34,0%	(17.014.870)	-33,4%	22,9%
Selling, General and Administrative Expenses	(21.424.040)	-34,8%	(17.466.223)	-34,3%	22,7%
<b>Operating Income</b>	<b>14.770.961</b>	<b>24,0%</b>	<b>13.796.258</b>	<b>27,1%</b>	<b>7,1%</b>
Other incomes of total operation	98.093		1.055.516		-90,7%
Other expenses of total operation	(63.634)		(58.018)		9,7%
Financial Income	341.735		442.932		-22,8%
Financial Expenses	(134.633)		(119.034)		13,1%
Participation in gains (losses) of joint venture businesses accounted by using the proportional value of participation	(91.929)		80.513		-214,2%
Exchange Differentials	252.122		197.930		27,4%
Result of Indexation units	(30.215)		1.306		-2413,6%
Other gains and losses	50.214		(158.978)		-131,6%
<b>Non-Operating Income</b>	<b>421.753</b>	<b>0,7%</b>	<b>1.442.167</b>	<b>2,8%</b>	<b>-70,8%</b>
<b>Profit before income tax</b>	<b>15.192.714</b>	<b>24,7%</b>	<b>15.238.425</b>	<b>29,9%</b>	<b>-0,3%</b>
(Expenses) Income Taxes	(3.042.489)		(2.606.972)		16,7%
<b>Profit (loss)</b>	<b>12.150.225</b>	<b>19,7%</b>	<b>12.631.453</b>	<b>24,8%</b>	<b>-3,8%</b>
Profit (loss) attributable to equity holders of parent	12.210.828		12.509.700		-2,4%
Profit (loss) attributable to minority interest	(60.603)		121.753		-149,8%
<b>Profit (loss)</b>	<b>12.150.225</b>	<b>19,7%</b>	<b>12.631.453</b>	<b>24,8%</b>	<b>-3,8%</b>
<b>EBITDA</b>	<b>16.380.404</b>	<b>26,6%</b>	<b>15.209.662</b>	<b>29,9%</b>	<b>7,7%</b>

**FORUS S.A. & SUBSIDIARIES**

**Consolidated Income Statement**

expressed in Thousands of Chilean Pesos accumulated to June 30th

	Jan-June'14	% Revenues	Jan-June'13	% Revenues	Var. % 14/13
	Th Ch\$		Th Ch\$		
Revenues	117.165.560		97.916.701		19,7%
Cost of Sales	(50.372.759)	-43,0%	(39.858.325)	-40,7%	26,4%
<b>Gross Margin</b>	<b>66.792.801</b>	<b>57,0%</b>	<b>58.058.376</b>	<b>59,3%</b>	<b>15,0%</b>
Logistic costs	(1.189.893)	-1,0%	(936.971)	-1,0%	27,0%
Administrative Expenses	(39.883.569)	-34,0%	(32.066.355)	-32,7%	24,4%
Selling, General and Administrative Expenses	(41.073.462)	-35,1%	(33.003.326)	-33,7%	24,5%
<b>Operating Income</b>	<b>25.719.339</b>	<b>22,0%</b>	<b>25.055.050</b>	<b>25,6%</b>	<b>2,7%</b>
Other incomes of total operation	144.735		1.087.767		-86,7%
Other expenses of total operation	(122.358)		(115.577)		5,9%
Financial Income	459.268		889.489		-48,4%
Financial Expenses	(291.505)		(228.972)		27,3%
Participation in gains (losses) of joint venture businesses accounted by using the proportional value of participation	164.254		159.241		3,1%
Exchange Differentials	1.357.917		(342.634)		-496,3%
Result of Indexation units	(51.665)		130		-39842,3%
Other gains and losses	124.279		(143.560)		-186,6%
<b>Non-Operating Income</b>	<b>1.784.925</b>	<b>1,5%</b>	<b>1.305.884</b>	<b>1,3%</b>	<b>36,7%</b>
<b>Profit before income tax</b>	<b>27.504.264</b>	<b>23,5%</b>	<b>26.360.934</b>	<b>26,9%</b>	<b>4,3%</b>
(Expenses) Income Taxes	(5.540.218)		(4.917.688)		12,7%
<b>Profit (loss)</b>	<b>21.964.046</b>	<b>18,7%</b>	<b>21.443.246</b>	<b>21,9%</b>	<b>2,4%</b>
Profit (loss) attributable to equity holders of parent	22.130.119		21.379.057		3,5%
Profit (loss) attributable to minority interest	(166.073)		64.189		-358,7%
<b>Profit (loss)</b>	<b>21.964.046</b>	<b>18,7%</b>	<b>21.443.246</b>	<b>21,9%</b>	<b>2,4%</b>
<b>EBITDA</b>	<b>28.855.521</b>	<b>24,6%</b>	<b>27.655.886</b>	<b>28,2%</b>	<b>4,3%</b>



## Analysis of Consolidated Results

### Operating Income

- **Consolidated Revenues increased by 20.9% in the 2Q 2014 to Ch\$ 61,574 million (US\$ 111.4 million).**

2Q'14 Consolidated Revenues 20.9% gain is explained both by an increase in Chile's business as in its subsidiaries.

In Chile Forus' sales grew 16.0%, to Ch\$ 48,984 million (US\$ 88.6 million) during 2Q'14. This increase in sales is explained both by growth in Retail and Wholesale business.

Regarding Retail business, sales reached Ch\$ 41,289 million (US\$ 74.7 million) rising 16.4% regarding 2Q 2013 and represented 84.3% of Chile's total revenues. This rise is explained by a 19.8% growth in square meters in 2Q'14 compared to 2Q'13 and a 3.7% increase in Same Store Sales (nominal value). This slowdown in the 2Q14 SSS is mainly explained by the economic deceleration being experienced in the country.

Wholesale business, with sales of Ch\$ 7,696 million (US\$ 13.9 million) represented 15.7% of Chile's total revenues, increased 13.9% with regards to 2Q'13. We highlight, according to IFRS standard, within Wholesale are considered the purchase of merchandise from China for the subsidiaries, so the actual sale of Wholesale without considering this effect grew by 25.9% compared to 2Q'13.

In regards to international subsidiaries, which revenues represented 19.0% during 2Q'14, they increased 35.9% as a whole regarding 2Q'13. The results of these companies are the following:

#### Revenues (Million Ch\$)

	2Q '14	2Q '13	Var. % 14/13	1S14	1S13	Var. % 14/13
Colombia	1.490	1.171	27,3%	2.849	2.448	16,4%
Peru	4.780	2.749	73,9%	9.622	5.542	73,6%
Uruguay	5.486	4.732	16,0%	8.987	7.856	14,4%
<b>Total</b>	<b>11.756</b>	<b>8.652</b>	<b>35,9%</b>	<b>21.459</b>	<b>15.846</b>	<b>35,4%</b>

#### Without intra-company sales

	2Q '14	2Q '13	Var. % 14/13	1S14	1S13	Var. % 14/13
Colombia	1.490	1.171	27,3%	2.849	2.376	19,9%
Peru	4.780	2.749	73,9%	9.622	5.542	73,6%
Uruguay	5.486	4.732	16,0%	8.987	7.856	14,4%
<b>Total</b>	<b>11.756</b>	<b>8.652</b>	<b>35,9%</b>	<b>21.459</b>	<b>15.774</b>	<b>36,0%</b>

## Analysis of Consolidated Results

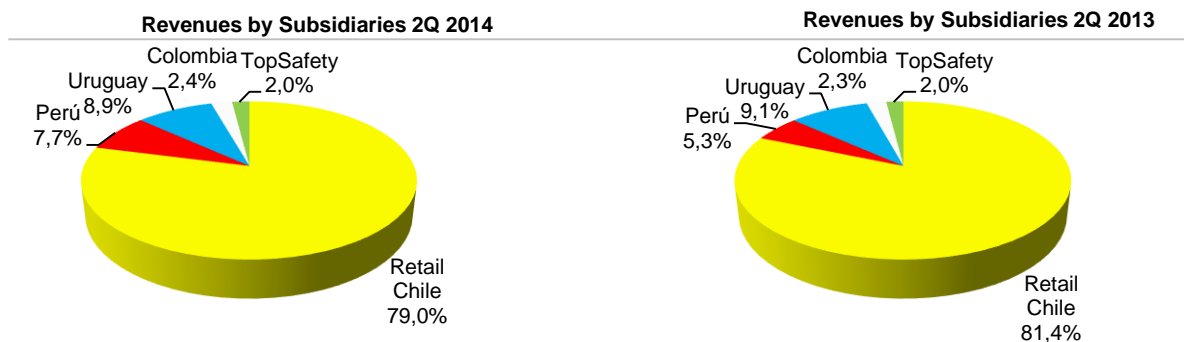
**Same Store Sales.** Data in nominal values (in local currency)

	2013				2013 FY	2014				2013 1S	2014
	1Q	2Q	3Q	4Q		1Q	2Q	3Q	4Q		
Colombia	18,2%	-1,3%	8,9%	11,9%	<b>9,3%</b>	3,2%	4,7%			7,3%	4,0%
Perú	12,6%	0,2%	0,9%	4,2%	<b>4,2%</b>	-8,0%	-9,7%			5,9%	-8,9%
Uruguay	-5,7%	-5,1%	-12,0%	-9,4%	<b>-8,0%</b>	-1,8%	4,4%			-5,3%	2,1%

- In **Colombia** sales of Ch\$ 1,490 million (US\$ 2.7 million) grew 27.3% during 2Q'14. This rise in sales is due both to an increase in Same Store Sales of 4.7% nominal and an increase in square meters of 19.3%, 8 new stores since June 2013.
- In **Peru**, sales of Ch\$ 4,780 million (US\$ 8.6 million) grew 73.9% during 2Q'14, mainly on a 96.3% increase in square meters since June 2013, consisting in 33 new stores (mainly resulting from the acquisition of Billabong, who contributed with 67.6% of the additional square meters increase), offsetting a Same Store Sales decrease of -9.7%. This drop in SSS is partly due to the deceleration in consumption in this country, also influenced by the World Cup effect, as the delay in the beginning of winter in the country.
- In **Uruguay** sales of Ch\$ 5,486 million (US\$ 9.9 million) increased 16.0% in 2Q'14 boosted by 10 new stores regarding 2Q'13, which increased the total sales' surface in 22.2% regarding June 2013, as well as a 4.4% Same Store Sales increase in nominal value, reversing the negative trend seen in the last 5 quarters.
- Regarding national subsidiary **TopSafety** (company dedicated to industrial safety footwear business) sales during 2Q'14 increased to Ch\$ 1,234 million (US\$ 2.2 million), rising by 21.3% with regards to the same quarter of the previous year. This growth is due to the successful introduction of new models and existing ones in new key accounts in the industrial sector, increasing our penetration in the segment.

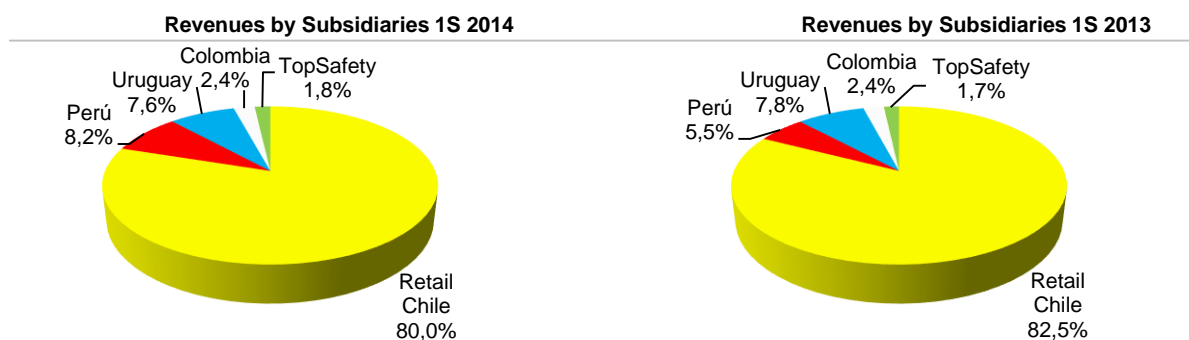
**Analysis of Consolidated Results**

Revenues of international operations in Colombia, Peru and Uruguay represented **19.0%** of consolidated revenues of **2Q'14**.



**Note:** Inter-company sales were excluded in this analysis.

Revenues of international operations in Colombia, Peru and Uruguay represented **18.2%** of consolidated revenues of **1S'14**, 2.5 percentage points higher than in 1S'13.



## Analysis of Consolidated Results

- **Gross Margin of Ch\$ 36,195 million (US\$ 65.5 million) increased by 15.8%, obtaining a gross margin of 58.8% as a percentage of net Revenues in the 2Q 2014.**

The consolidated gross margin increase is due to rise in Chile (Retail and Wholesale) by 12.2% compared to 2Q'13, as well as by the 35.3% growth of the international subsidiaries. However, gross margin as a percentage of revenue decreased by 2.6 percentage points from 61.4% in 2Q'13 to 57.0% in 2Q'14 due to a negative effect of exchange rate, since the autumn/winter 2014 collection entered at a 13.6% higher exchange rate, compared to the inputs of the autumn/winter 2013 collection. This effect of exchange rate affected Chile and all the subsidiaries.

Chile's Individual gross margin grew 12.2% compared to 2Q'13, achieving Ch\$ 29,164 million (US\$ 52.8 million). Gross margin as a percentage over sales of 59.5% fell by 2.0 percentage points, compared to 61.5% obtained in 2Q'13. Gross margin in Retail business of Ch\$ 25,329 million (US\$ 45.8 million) increased 12.0% in 2Q'14 and achieved a 61.3% as a percentage of revenues.

Gross margin in Wholesale business of Ch\$ 3,835 million (US\$ 6.9 million) in 2Q'14, increased 14.0%, reaching 49.8% as a percentage over sales, the same as in 2Q13, despite the negative effect of higher exchange rate.

International subsidiaries gross margin increased as a whole 35.3% during 2Q14, obtaining Ch\$ 6,660 million (US\$ 12.0 million). Details by country are as follows:

- **Peru:** a gross margin of Ch\$ 2,639 million (US\$ 4.8 million) increased 64.1%, which as a percentage of revenues decreased 3.3 percentage points, from 58.5% in 2Q'13 to 55.2% in 2Q'14. This lower margin is reflecting the exchange rate increase during the period.
- **Uruguay:** a gross margin of Ch\$ 3,210 million (US\$ 5.8 million) rose 22.4%, reaching a 58.5% as a percentage of revenues, 3.1 percentage points higher than reported in 2Q13, as the result of higher operating efficiency, which achieved improvements in logistics processes, and managed to increase the average price.

- Colombia:** a gross margin of Ch\$ 810 million (US\$ 1.5 million) increased 17.3% regarding the same quarter of the previous year, as a percentage of revenues decreased by -4.6 points from 59.0% in 2Q'13 to 54.4% in 2Q'14 on the exchange rate increase and the negative impact of the Colombian Decree 74, which increases the cost of products.
- Operating Income increased by 7.1% in the 2Q 2014 to Ch\$ 14,771 million (US\$ 26.7 million). The Operating margin in 2Q'13 was 24.0%.**

The Individual Operating Income (Forus Chile) accounts for 89.5% of total income, obtaining Ch\$ 13,215 million (US\$ 23.9 million) and increasing 4.5% with regards to 2Q'13. Moreover, the 37.5% growth in Operating Income from international subsidiaries contributed with the remaining 10.5% to this increase.

Chile's Retail business operating income of Ch\$ 11,514 million (US\$ 20.8 million) increased 3.0%, explained by an increase in revenues and gross margin. In addition, SG&A represented 33.5% of revenues in 2Q'14, 1.2 percentage point higher than in 2Q'12 explained by the higher pace of stores openings as well as the incorporation of Billabong and 7veinte new stores.

The Wholesale business Operating Income, which explained 12.9% of Chile's Operating Income growth, was Ch\$ 1,702 million (US\$ 3.1 million), growing 15.5% during 2Q14. Operating income as a percentage of revenue increased 0.3 percentage points from 21.8% in 2Q'13 to 22.1% in 2Q'14, because the SG&A decreased in 0.3 percentage points as a percentage over sales, representing 27.7% of revenues in 2Q'14. This would indicate a positive development compared to 1Q14 when SG&A increased over sales by 3.7 percentage points, in the integration process after 7veinte and Billabong brands acquisition, which have a stronger weight in Wholesale.

Regarding international subsidiaries as a whole, these presented an Operating Income of Ch\$ 1.471 million (US\$ 2.7 million), increasing 37.5% regarding 2Q'13. Operating Incomes by countries are the following:

## Analysis of Consolidated Results

- **Uruguay:** Its Operating Income of Ch\$ 1.191 million (US\$ 2.2 million) increased 54.3% regarding 2Q'13, obtaining an Operating Income as a percentage of revenues of 21.7%, 5.4 percentage points higher than in 2Q'13, as SG&A as a percentage of sales decreased 2.3 percentage points due to an improvement in commercial strategy, as well as the improvement in gross margin.
- **Peru:** Its Operating Income decreased 3.5%, obtaining Ch\$ 388 million (US\$ 0.7 million) in 2Q'14, obtaining an Operating Income as a percentage of revenues of 8.1% in 2Q'14, 6.5 percentage points lower than in 2Q'13, due to new stores (organic and inorganic) incorporated into the portfolio.
- **Colombia:** Its Operating Loss increased in Ch\$ 3.8 million (US\$ 0.01 million), from Ch\$ -104.5 million (-US\$ 0.2 million) of Operating loss in 2Q'13 to an Operating loss of -Ch\$ 108.3 million (-US\$ 0.2 million) in 2Q'14. However, operating income as a percentage of revenue improved by 1.7 points percentage from -8.9% in 2Q'13 to -7.3% in 2Q'14. This is because the SG&A regarding sales declined by 6.3 percentage points, partially offsetting the percentage gross margin decrease in 4.6 percentage points.

### **Non-Operating Result**

- **Non-Operating Result achieved a gain of Ch\$ 421 million (US\$ 0.8 million) decreasing 70.8% regarding 2Q'13.**

This negative result is explained by the Other Income of Total Operations account, which obtained a gain of Ch\$ 1,056 million (US\$ 1.9 million) in 2Q'13, caused by a tax benefit from the operations in Uruguay, meaning a higher comparison base for the Ch\$ 98 million (US\$ 0.2 million) obtained in 2Q14.

**Net Profit and EBITDA**

- **Net Profit decreased by -3.8% to Ch\$ 12,150 million (US\$ 22.0 million).**

Net Profit represent 19.7% as a percentage of revenues in 2Q'14, 5.1 percentage points below the 24.8% obtained in 2Q'13. This decline is mainly explained by the 2Q'14, lower than in 2Q'13, Non-Operating income explained above.

- **EBITDA of Ch\$ 16,380 million (US\$ 29.6 million) increased by 7.7%, reaching an EBITDA margin of 26.6% in the 2Q 2014.**

Chile's EBITDA of Ch\$ 14,384 million (US\$ 26.0 million) grew 5.8% with regards to 2Q'13, and represents an EBITDA margin of 29.4% in 2Q'14.

**Data by Country and Business**
**CHILE**

- Retail**

(Million Ch\$)

P&L	2Q '14	% Revenues	2Q '13	% Revenues	Var. % 14/13
Revenues	41.289		35.470		16,4%
Cost of Sales	-15.959		-12.848		24,2%
Gross Margin	25.329	61,3%	22.622	63,8%	12,0%
Operating Income	11.514	27,9%	11.178	31,5%	3,0%

(Million Ch\$)

P&L	1S '14	% Revenues	1S '13	% Revenues	Var. % 14/13
Revenues	72.177		62.076		16,3%
Cost of Sales	-29.150		-23.772		22,6%
Gross Margin	43.027	59,6%	38.304	61,7%	12,3%
Operating Income	17.095	23,7%	16.669	26,9%	2,6%

**Same Store Sales Growth**

Data in nominal values (in local currency)

	2013				FY	2014				2013	2014
	1Q	2Q	3Q	4Q		1Q	2Q	3Q	4Q	1S	1S
SSS	2,2%	4,3%	5,9%	8,4%	5,3%	4,4%	3,7%			3,4%	4,0%

**Stores Openings / Closings**

	Date	Chain	Store	Sq.meters
Opening	Apr-14	Caterpillar	Mall Plaza Oeste	95
Opening	Apr-14	Merrell	Mall Plaza Oeste	57
Opening	Jun-14	Hush Puppies Kids	Mall Plaza el Roble	64
Opening	Jun-14	We love Shoes	Mall Plaza el Roble	117
<b>Total</b>				<b>333</b>

**Change in Total square meters**

	June 2014	June 2013	Var. 14/13	Var. % 14/13
N° Stores	291	244	47	19,3%
Square meters sales area + window	32.729	27.323	5.406	19,8%



**Data by Country and Business**

- Wholesale**

(Million Ch\$)

P&L	2Q '14	% Revenues	2Q '13	% Revenues	Var. % 14/13
Revenues	7.696		6.754		13,9%
Cost of Sales	-3.861		-3.391		13,9%
Gross Margin	3.835	49,8%	3.364	49,8%	14,0%
Operating Income	1.702	22,1%	1.473	21,8%	15,5%

(Million Ch\$)

P&L	1S '14	% Revenues	1S '13	% Revenues	Var. % 14/13
Revenues	22.122		20.639		7,2%
Cost of Sales	-11.028		-10.300		7,1%
Gross Margin	11.093	50,1%	10.338	50,1%	7,3%
Operating Income	6.334	28,6%	6.432	31,2%	-1,5%

- TopSafety**

(Million Ch\$)

P&L	2Q '14	% Revenues	2Q '13	% Revenues	Var. % 14/13
Revenues	1.234		1.017		21,3%
Cost of Sales	-862		-661		30,5%
Gross Margin	371	30,1%	356	35,0%	4,3%
Operating Income	85	6,9%	76	7,4%	12,3%

(Million Ch\$)

P&L	1S '14	% Revenues	1S '13	% Revenues	Var. % 14/13
Revenues	2.119		1.739		21,8%
Cost of Sales	-1.448		-1.154		25,5%
Gross Margin	670	31,6%	585	33,6%	14,6%
Operating Income	122	5,8%	69	4,0%	75,8%

**Data by Country and Business**
**COLOMBIA**

(Million Ch\$)

P&L	2Q '14	% Revenues	2Q '13	% Revenues	Var. % 14/13
Revenues	1.490		1.171		27,3%
Cost of Sales	-680		-480		41,7%
Gross Margin	810	54,4%	691	59,0%	17,3%
Operating Income	-108	-7,3%	-105	-8,9%	3,6%

(Million Ch\$)

P&L	1S '14	% Revenues	1S '13	% Revenues	Var. % 14/13
Revenues	2.849		2.448		16,4%
Cost of Sales	-1.459		-1.181		23,5%
Gross Margin	1.391	48,8%	1.267	51,8%	9,7%
Operating Income	-294	-10,3%	-153	-6,2%	92,3%

**Without Intra-company sales**

P&L	1S '14	% Revenues	1S '13	% Revenues	Var. % 14/13
Revenues	2.849		2.376		19,9%
Cost of Sales	-1.459		-1.108		31,6%
Gross Margin	1.391	48,8%	1.267	53,3%	9,7%
Operating Income	-294	-10,3%	-153	-6,4%	92,3%

**Same Store Sales Growth**

Data in nominal values (in local currency)

	2013				FY	2014				2013	2014
	1Q	2Q	3Q	4Q		1Q	2Q	3Q	4Q	1S	1S
SSS	18,2%	-1,3%	8,9%	11,9%	9,3%	3,2%	4,7%			7,3%	4,0%

**Data by Country and Business**
**Stores Openings / Closings**

	Date	Chain	Store	Sq.meters
Closing	Apr-14	Shoe Express	Zona In	52
Opening	Apr-14	Caterpillar	Centro Mayor	77
Opening	May-14	Hush Puppies	San Pedro	80
Opening	May-14	Caterpillar	El Tesoro	61
Opening	May-14	Caterpillar	San Pedro	86
<b>Total</b>				<b>356</b>

**Change in Total square meters**

	June 2014	June 2013	Var. 14/13	Var. % 14/13
N° Stores	40	32	8	25,0%
Square meters sales area + window	2.426	2.033	392	19,3%

**PERU**

(Million Ch\$)

P&L	2Q '14	% Revenues	2Q '13	% Revenues	Var. % 14/13
Revenues	4.780		2.749		73,9%
Cost of Sales	-2.140		-1.141		87,6%
Gross Margin	2.639	55,2%	1.609	58,5%	64,1%
Operating Income	388	8,1%	402	14,6%	-3,5%

(Million Ch\$)

P&L	1S '14	% Revenues	1S '13	% Revenues	Var. % 14/13
Revenues	9.622		5.542		73,6%
Cost of Sales	-4.173		-2.395		74,2%
Gross Margin	5.449	56,6%	3.147	56,8%	73,2%
Operating Income	1.000	10,4%	769	13,9%	30,0%

**Same Store Sales Growth**

Data in nominal values (in local currency)

	2013				FY	2014				2013 1S	2014 1S
	1Q	2Q	3Q	4Q		1Q	2Q	3Q	4Q		
SSS	12,6%	0,2%	0,9%	4,2%	4,2%	-8,0%	-9,7%			5,9%	-8,9%

**Data by Country and Business**
**Stores Openings / Closings**

	Date	Chain	Store	Sq.meters
Opening	May-14	Hush Puppies	Salaverry	73
Opening	May-14	Hush Puppies Kids	Salaverry	61
Opening	May-14	Rockford	Salaverry	71
Opening	May-14	Columbia	Salaverry	55
Opening	Jun-14	Shoe Express	Surco 2	74
<b>Total</b>				<b>334</b>

**Change in Total square meters**

	June 2014	June 2013	Var. 14/13	Var. % 14/13
N° Stores	71	38	33	86,8%
Square meters sales area + window	5.493	2.798	2.695	96,3%

**URUGUAY**

(Million Ch\$)

P&L	2Q '14	% Revenues	2Q '13	% Revenues	Var. % 14/13
Revenues	5.486		4.732		16,0%
Cost of Sales	-2.276		-2.109		7,9%
Gross Margin	3.210	58,5%	2.622	55,4%	22,4%
Operating Income	1.191	21,7%	772	16,3%	54,3%

(Million Ch\$)

P&L	1S '14	% Revenues	1S '13	% Revenues	Var. % 14/13
Revenues	8.987		7.856		14,4%
Cost of Sales	-3.825		-3.440		11,2%
Gross Margin	5.163	57,4%	4.417	56,2%	16,9%
Operating Income	1.462	16,3%	1.268	16,1%	15,4%

**Same Store Sales Growth**

Data in nominal values (in local currency)

	2013					FY	2014				2013 1S	2014 1S
	1Q	2Q	3Q	4Q	1Q		2Q	3Q	4Q			
SSS	-5,7%	-5,1%	-12,0%	-9,4%	-8,0%	-1,8%	4,4%				-5,3%	2,1%

**Data by Country and Business**
**Stores Openings / Closings**

	Date	Chain	Store	Sq.meters
Opening	Apr-14	Shoe Express	La Blaqueada	164
Opening	May-14	Shoe Express	Libres	30
Opening	May-14	Shoe Express	Magallanes	33
Opening	Jun-14	Shoe Express	Cipriano Miro	105
<b>Total</b>				<b>332</b>

**Change in Total square meters**

	June 2014	June 2013	Var. 14/13	Var. % 14/13
N° Stores	48	38	10	26,3%
Square meters sales area + window	4.310	3.526	784	22,2%

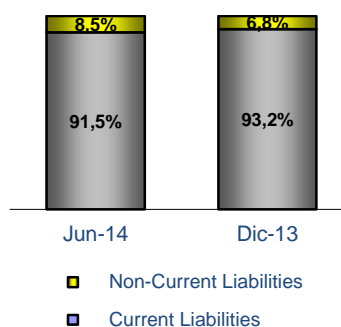
## Financial and Profitability Ratios

- Liquidity Ratios**

	Units	June-13	Dec-12
Current liquidity	times	6,1	4,3
Acid ratio	times	3,5	2,5

- Financial Ratios**

	Units	Jun-14	Dic-13
Liabilities composition			
Current Liabilities	%	91,5%	93,2%
Non-Current Liabilities	%	8,5%	6,8%



	Units	Jun-14	Dic-13
Leverage	times	0,15	0,22

- Profitability Ratios**

	Units	Jun-14	Dic-13
ROA	%	12,4%	23,0%
ROS	%	18,7%	19,6%
ROE	%	14,2%	27,9%

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 for

	June 2014 Th Ch\$	Dec 2013 Th Ch\$
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	10.680.869	8.383.418
Other financial assets, current	27.810.349	33.687.676
Other non-financial assets, current	2.976.213	2.358.196
Trade and other account receivables	30.858.706	21.880.727
Accounts receivables from related companies	7.014	6.626
Inventories	54.450.775	48.473.974
Tax Assets, current	853.841	1.471.459
<b>Total Current Assets</b>	<b>127.637.767</b>	<b>116.262.076</b>
<b>Non-Current Assets</b>		
Other financial assets, Non-current	71.391	331.283
Other non-financial assets, Non-current	2.157.172	2.298.391
Fees receivables, Non-current	170.440	166.060
Investments in Associated	3.444.419	3.110.712
Net intangibles assets	3.354.934	3.417.123
Goodwill	8.810.772	8.810.772
Property, plant and equipments	29.987.068	29.084.804
Deferred tax Assets	1.864.341	1.577.054
<b>Total Non-Current Assets</b>	<b>49.860.537</b>	<b>48.796.199</b>
<b>TOTAL ASSETS</b>	<b>177.498.304</b>	<b>165.058.275</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Other financial liabilities, current	3.274.431	2.199.410
Current trade and other current accounts payable	11.621.293	12.784.120
Current accounts payable to related companies	468.159	304.828
Other current Provisions	1.179.944	7.501.216
Current tax liabilities	686.689	166.214
Current Provisions for employees benefits	2.405.836	3.053.515
Other non-financial liabilities, current	1.392.352	1.314.019
<b>Total Current Liabilities</b>	<b>21.028.704</b>	<b>27.323.322</b>
<b>Non-Current Liabilities</b>		
Other non-current financial liabilities	1.890.601	1.877.777
Deferred taxes liabilities	-	-
Other non-financial non-current liabilities	64.121	108.842
<b>Total Non-Current Liabilities</b>	<b>1.954.722</b>	<b>1.986.619</b>
<b>TOTAL LIABILITIES</b>	<b>22.983.426</b>	<b>29.309.941</b>
<b>SHAREHOLDER'S EQUITY</b>		
Paid-in capital	24.242.787	24.242.787
Retained earnings	110.268.353	92.093.067
Issue Premium	17.386.164	17.386.164
Other reserves	1.066.553	422.035
Equity attributable to equity holders of the parent	152.963.857	134.144.053
Non-controlling interest	1.551.021	1.604.281
<b>Total Net Equity</b>	<b>154.514.878</b>	<b>135.748.334</b>
<b>TOTAL NET EQUITY AND LIABILITIES</b>	<b>177.498.304</b>	<b>165.058.275</b>

## Consolidated Income Statement

**FORUS S.A. & SUBSIDIARIES**  
**CONSOLIDATED INCOME STATEMENT**

expressed in Thousands of Chilean Pesos for the end of the periods of

and for the quarters

	June 2014		June 2013		2Q 2014		2Q 2013	
	Th	Ch\$	Th	Ch\$	Th	Ch\$	Th	Ch\$
Revenues	117.165.560		97.916.701		61.573.881		50.931.836	
Cost of Sales	(50.372.759)		(39.858.325)		(25.378.880)		(19.669.355)	
<b>Gross Margin</b>	<b>66.792.801</b>		<b>58.058.376</b>		<b>36.195.001</b>		<b>31.262.481</b>	
Other incomes of total operation	144.735		1.087.767		98.093		1.055.516	
Logistic costs	(1.189.893)		(936.971)		(518.762)		(451.353)	
Administrative Expenses	(39.883.569)		(32.066.355)		(20.905.278)		(17.014.870)	
Other expenses of total operation	(122.358)		(115.577)		(63.634)		(58.018)	
Other gains or (losses)	124.279		(143.560)		50.214		(158.978)	
Financial Income	459.268		889.489		341.735		442.932	
Financial Expenses	(291.505)		(228.972)		(134.633)		(119.034)	
Participation in gains (losses) of joint venture businesses accounted by using the proportional value of participation	164.254		159.241		(91.929)		80.513	
Exchange Differentials	1.357.917		(342.634)		252.122		197.930	
Result of Indexation units	(51.665)		130		(30.215)		1.306	
<b>Profit before income tax</b>	<b>27.504.264</b>		<b>26.360.934</b>		<b>15.192.714</b>		<b>15.238.425</b>	
Income Taxes	(5.540.218)		(4.917.688)		(3.042.489)		(2.606.972)	
<b>Profit (loss)</b>	<b>21.964.046</b>		<b>21.443.246</b>		<b>12.150.225</b>		<b>12.631.453</b>	
Profit (loss) attributable to equity holders of parent	21.964.046		21.379.057		12.210.828		12.509.700	
Profit (loss) attributable to minority interest	(166.073)		64.189		(60.603)		121.753	
<b>Profit (loss)</b>	<b>21.964.046</b>		<b>21.443.246</b>		<b>12.150.225</b>		<b>12.631.453</b>	
<b>Net Income per Share</b>								
<b>Common shares</b>								
Income per Share	\$ 85,0		\$ 83,0		\$ 47,0		\$ 48,9	



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