

FINANCIAL REPORT

SECOND QUARTER 2016
AUGUST 2016

FORUS
brands & retail



1. Summary of Consolidated Results 2nd Quarter 2016	3
2. Highlights in the Period	5
3. Consolidated Income Statement	7
4. Analysis of Consolidated Results	9
5. Data by Country and Business	18
6. Financial and Profitability Ratios	23
7. Consolidated Financial Statements - IFRS	
- Consolidated Balance Sheets	24
- Consolidated Income Statement	25

Notes:

- All figures in dollars are calculated using the observed dollar exchange rate for July 1st, 2016 (Ch\$ 661,4 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). SG&A: Selling, General and Administration.
- Currency symbols: Ch\$: Chilean pesos; US\$: U.S. dollars; MM: millions.

- EBITDA of Ch\$ 14,521 million (US\$ 22.0 million) grew 9.2%, reaching an EBITDA margin of 22.5% in 2Q 2016, a growth of 0.1 percentage points above the 22.4% of 2Q 2015.
- Consolidated Revenues increased 9.0% to Ch\$ 64,678 million (US\$ 97.8 million) in the 2Q 2016.
- Gross Margin of Ch\$ 36,638 million (US\$ 55.4 million) grew 7.8%, obtaining a gross margin of 56.6% as a percentage of Revenues in 2Q 2016, 0.7 percentage points below the 57.3% reported in 2Q 2015.
- Operating Income of Ch\$ 12.954 million (US\$ 19.6 million) increased 10.3% during 2Q 2016. The Operating margin reached a 20.0% of Revenues in 2Q 2016, 0.2 percentage point higher the 19.8% reported in 2Q 2015.
- Net Profit decreased -3.5% to Ch\$ 9,781 million (US\$ 14.8 million). Its represents 15.1% as a percentage of 2Q 2016 net revenues.
- The Revenues from the International Operations in Colombia, Peru and Uruguay represented 17.0% of the Consolidated Revenues in 2Q 2016.

- Consolidated Revenues increased 4.1% to Ch\$ 124,193million (US\$ 187.8 million) accumulated as of June 2016.
- Gross Margin of Ch\$ 67,172million (US\$ 101.6 million) grew 3.2%, obtaining a gross margin of 54.1% as a percentage of Revenues accumulated as of June 2016, 0.5 percentage points below the 54.6% reported as of June 2015.
- Operating Income of Ch\$ 21,123 million (US\$ 31.9 million) raised 1.4% accumulated as of June 2016. The Operating margin reached a 17.0% of Revenues during the 1S 2016.
- EBITDA of Ch\$ 24,278 million (US\$ 36.7 million) grew 0.2%, reaching an EBITDA margin of 19.5% accumulated as of June 2016.
- Net Profit decreased -15.4% to Ch\$ 14,920 million (US\$ 22.6 million) accumulated as of June 2016. Its represents 12.0% as a percentage of 1S 2016 net revenues.
- The Revenues from the International Operations in Colombia, Peru and Uruguay represented 17.0% of the Consolidated Revenues in 1S 2016.

Stores Opening

Total of new stores opened in 2Q 2016: 3 stores

During the 2Q 2016 the company opened the following new stores:

Country	# Stores	Chain	Store	City	Sq. meters
Chile		Hush Puppies	Vivo San Fernando	San Fernando	75
Total	1				75
Perú		Billabong Factory Brand	Piura Malvinas	Piura Lima	78 105
Total	2				183
Total	3				258

New CEO in Forus S.A

On July 4, Hugo Ovando Zalazar joined the Forus Company as the Chief Executive Officer of Forus S.A.

He studied business administration at Pontificia Universidad Católica de Chile and has an MBA at Babson College, USA. Ovando had a successful career for over 18 years at Compañía Cervecerías Unidas S.A. (CCU), the leading Chilean company in the consumer sector, becoming CEO of the CCU Brewery division.

Awards received by Forus

Once again, Forus has been awarded with the following prizes:

National

- 1) Greater value Creation Retail Industry 2016** – Capital Magazine and Santander recognized Forus as the firm that created more value in its sector for the sixth consecutive year.

International

Forus have been awarded in USA by their licensors Wolverine World Wide Inc. and Columbia Sportswear with 3 awards, which are the following:

2) **Brand Partner of the world for the Year 2015** for the Mountain Hardwear brand in Chile.



3) **2015 World Best in Revenue's Growth**, for the Caterpillar brand in Footwear and Apparel's category in Colombia.



4) **2015 worldwide Outstanding Performance**, for the Hush Puppies brand in Accessories' category in Peru.



SUBSEQUENT EVENTS

Acquisition of Columbia Brand in Uruguay

From July of this year, Forus acquired the license of the Columbia brand in Uruguay. The brand will be sold mainly through Columbia stores and in a lesser extent, through D House and Rockford stores. In August 2016, Columbia opened 2 new stores. Now we have the Columbia brand in the markets of Chile, Peru and Uruguay.



FORUS S.A. & SUBSIDIARIES
Consolidated Income Statement 2st Quarter
expressed in Thousands of Chilean Pesos from April 1st to June 30th

	2Q'16 Th Ch\$	% Revenues	2Q'15 Th Ch\$	% Revenues	Var. % 16/15
Revenues	64.677.551		59.314.557		9,0%
Cost of Sales	(28.039.731)	-43,4%	(25.320.784)	-42,7%	10,7%
Gross Margin	36.637.820	56,6%	33.993.773	57,3%	7,8%
Logistic costs	(596.401)	-0,9%	(590.984)	-1,0%	0,9%
Administrative Expenses	(23.087.195)	-35,7%	(21.657.295)	-36,5%	6,6%
Selling, General and Administrative Expenses	(23.683.596)	-36,6%	(22.248.279)	-37,5%	6,5%
Operating Income	12.954.224	20,0%	11.745.494	19,8%	10,3%
Other incomes of total operation	212.363		134.827		57,5%
Other expenses of total operation	(48.083)		(51.475)		-6,6%
Financial Income	562.145		70.311		699,5%
Financial Expenses	(84.942)		(94.815)		-10,4%
Participation in gains (losses) of joint venture businesses accounted by using the proportional value of participation	(80.412)		67.945		-218,3%
Exchange Differentials	(524.129)		700.222		-174,9%
Result of Indexation units	(16.832)		12.804		-231,5%
Other gains and losses	31.758		404.536		-92,1%
Non-Operating Income	51.868	0,1%	1.244.355	2,1%	-95,8%
Profit before income tax	13.006.092	20,1%	12.989.849	21,9%	0,1%
(Expenses) Income Taxes	(3.224.675)		(2.857.141)		12,9%
Profit (loss)	9.781.417	15,1%	10.132.708	17,1%	-3,5%
Profit (loss) attributable to equity holders of parent	9.862.933		10.158.364		-2,9%
Profit (loss) attributable to minority interest	(81.516)		(25.656)		217,7%
Profit (loss)	9.781.417	15,1%	10.132.708	17,1%	-3,5%
EBITDA	14.520.664	22,5%	13.295.799	22,4%	9,2%

FORUS S.A. & SUBSIDIARIES
Consolidated Income Statement
expressed in Thousands of Chilean Pesos accumulated to June 30th

	1S 2016	% Revenues	1S 2015	% Revenues	Var. % 16/15
	Th Ch\$		Th Ch\$		
Revenues	124.192.938		119.322.774		4,1%
Cost of Sales	(57.021.388)	-45,9%	(54.225.194)	-45,4%	5,2%
Gross Margin	67.171.550	54,1%	65.097.580	54,6%	3,2%
Logistic costs	(1.311.909)	-1,1%	(1.213.173)	-1,0%	8,1%
Administrative Expenses	(44.736.936)	-36,0%	(43.062.488)	-36,1%	3,9%
Selling, General and Administrative Expenses	(46.048.845)	-37,1%	(44.275.661)	-37,1%	4,0%
Operating Income	21.122.705	17,0%	20.821.919	17,5%	1,4%
Other incomes of total operation	246.897		213.316		15,7%
Other expenses of total operation	(134.872)		(136.212)		-1,0%
Financial Income	998.088		103.682		862,6%
Financial Expenses	(173.764)		(214.376)		-18,9%
Participation in gains (losses) of joint venture businesses accounted by using the proportional value of participation	(164.536)		63.353		-359,7%
Exchange Differentials	(2.049.801)		1.316.083		-255,8%
Result of Indexation units	(27.550)		12.538		-319,7%
Other gains and losses	61.548		506.070		-87,8%
Non-Operating Income	(1.243.990)	-1,0%	1.864.454	1,6%	-166,7%
Profit before income tax	19.878.715	16,0%	22.686.373	19,0%	-12,4%
(Expenses) Income Taxes	(4.958.776)		(5.056.359)		-1,9%
Profit (loss)	14.919.939	12,0%	17.630.014	14,8%	-15,4%
Profit (loss) attributable to equity holders of parent	15.090.742		17.724.733		-14,9%
Profit (loss) attributable to minority interest	(170.803)		(94.719)		80,3%
Profit (loss)	14.919.939	12,0%	17.630.014	14,8%	-15,4%
EBITDA	24.278.041	19,5%	24.230.552	20,3%	0,2%

Operating Income

- **Consolidated Revenues increased 9.0% in the 2Q 2016 to Ch\$ 64,678 million (US\$ 97.8 million).**

The increase in Revenues is mainly explained by the increase by 10.5% of the sales of Chile, which represent 83% of consolidated sales, but also due to an increase in sales 2.6% of the subsidiaries, driven solely by Uruguay, whose sales represent 49% of total sales of subsidiaries.

Chile Forus' revenues reached Ch\$ 53,764 million (US\$ 81.3 million) during 2Q'16, growing by 10.5% compared to 2Q'15, due to good performance of retail business in the second quarter, increasing sales by 12.9%, while business Wholesale sales decreased by 1.8%.

As for the Retail business, sales totaled Ch\$ 45,853 million (US\$ 69.3 million), growing 12.9% compared to 2Q'15 and representing 85% of total sales in Chile. Higher sales are explained by good sales growth in SSS (same store sales), since growth per m2 was only 2.5% in June 2016 compared to the same period last year, consisting of 9 new net stores (openings less closures). The growth of SSS sales can be explained by the following factors: first, weather, which was a major factor during this second quarter with a winter that arrived on time, having lower temperatures than last year's same period and also than the historical average, as well as higher rainfall rate than the 2Q'15, which helped boost sales during the period. Another factors that contributed were a very good winter collection, a good choice of product mix in stores and efficient logistics, which impact positively on the convertibility of the stores, making SSS grew 9.0% during 2Q'16 (nominal value in local currency).

On the other hand, the economic environment remains unfavorable in the country. The average IMACEC index of 2Q'16 grew by only 1.2% compared to 2.1% growth in 2Q'15, and consumer confidence in the economy - as measured by the IPEC index -

dropped again by 3.6 points in the second quarter of 2016 compared to 2Q'15, from 38.2 in 2Q'15 to 34.5 in the 2Q'16.

Regarding Wholesale business, whose sales of Ch\$ 7,911 million (US\$ 12.0 million), represented 15% of Chile's total revenues in the 2Q'16, declined 1.8% compared to 2Q'15. This decrease is only explained because we are working with one less Wholesale channel, generating a higher comparative basis on sales of 2Q'15.

In regards to international subsidiaries, whose revenues represented 17.0% of total consolidated revenues during 2Q'16, increased 2.6% as a whole regarding 2Q'15. The results of these companies are the following:

Revenues (Million Ch\$)

	2Q '16	2Q '15	Var. % 16/15	1S '16	1S '15	Var. % 16/15
Colombia	1.286	1.359	-5,4%	2.448	2.762	-11,4%
Perú	4.321	4.322	0,0%	9.660	9.748	-0,9%
Uruguay	5.374	5.020	7,0%	9.020	8.770	2,9%
Total	10.980	10.701	2,6%	21.128	21.280	-0,7%

	2015				2015 FY	2016				2015 6M	2016
	1Q	2Q	3Q	4Q		1Q	2Q	3Q	4Q		
Colombia	12,8%	6,3%	4,9%	-1,3%	4,4%	-4,1%	1,5%			9,4%	-1,3%
Perú	2,1%	-6,7%	-12,2%	-11,6%	-7,5%	-2,2%	2,7%			-2,3%	0,1%
Uruguay	-6,9%	-6,4%	-3,2%	1,5%	-3,5%	9,5%	12,2%			-6,6%	11,2%

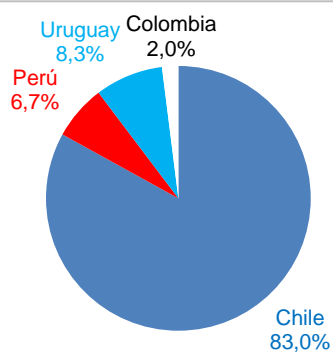
- In **Colombia** sales of Ch\$ 1,286 million (US\$ 1.9 million) decreased 5.4% in 2Q'16. This drop is explained by a currency translation effect -due to high depreciation of the Colombian peso, by 12% against the dollar to June 2016 versus June 2015- since, in local currency, consolidated sales rose 3.1% in 2Q'16. The SSS grew 1.5% (nominal) compared to 2Q'15, and the square meters increased by 9.8% to June 2016 compared to June 2015, which consists of 4 net new stores.

Analysis of Consolidated Results

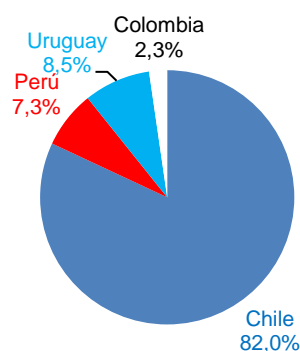
- In **Peru** sales of Ch\$ 4,321 million (US\$ 6.5 million) remained stable, with no growth compared to 2Q'15. It stands out that sales of equivalent stores (SSS) grew by 2.7% (in local currency, nominal value) this quarter compared to 2Q'15, making it the first positive SSS in the country since 1Q'15. On the other hand, the square meters compared to June 2015 decline by 0.9%, consisting of 2 less net stores.
- In **Uruguay** sales of Ch\$ 5,374 million (US\$ 8.1 million) of 2Q'16 grew by 7.0% compared to 2Q'15. This is explained only by the excellent SSS growth of 12.2% in 2Q'16 compared to the same period last year, because the square meters of stores decreased by 3.0%. It should be noted that the effect of currency translation negatively impacts this result because of the depreciation of 13% of the Uruguayan peso against the dollar in June 2016 over the previous year since, in its local currency, sales grew 16.9% in 2Q '16 instead of 7.0% shown in CLP.

Revenues of international operations in Colombia, Peru and Uruguay represented a **17.0%** of consolidated revenues in **2Q'16**.

Revenues by Subsidiaries 2Q 2016

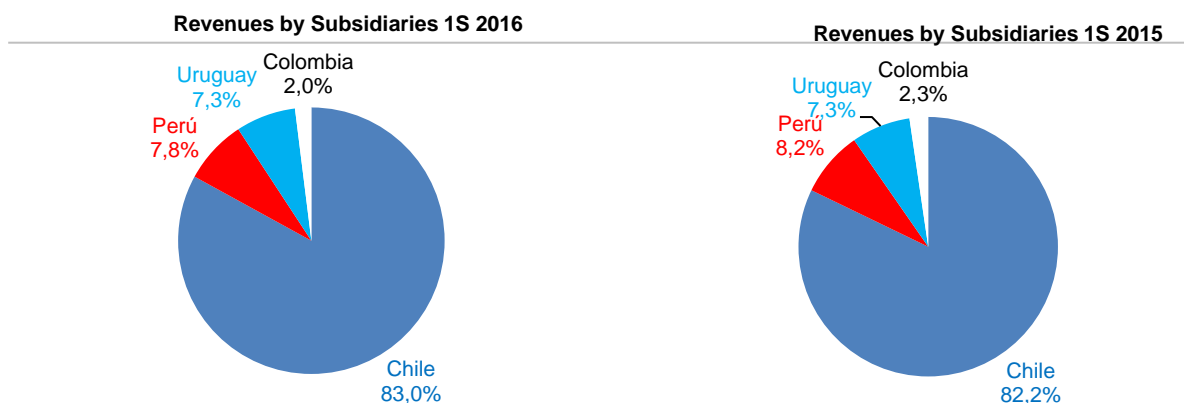


Revenues by Subsidiaries 2Q 2015



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

Revenues of international operations in Colombia, Peru and Uruguay represented a **17.0%** of consolidated revenues **accumulated as of June of 2016**.



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

- **Gross Margin of Ch\$ 36,638 million (US\$ 55.4 million) increased 7.8%, obtaining a gross margin of 56.6% as a percentage of net Revenues in the 2Q 2016.**

The Consolidated Gross Margin growth is due to growths in gross margin in Chile by 8.8%, as well as in the gross margin of the subsidiaries by 2.9% compared to 2Q'15. Consolidated Gross margin as a percentage of revenues decreased by 0.7 percentage points from 57.3% in 2Q'15 to 2Q'16 to 56.6%, explained by the negative effect of exchange rate depreciation against the dollar of all local currencies, both Chile and subsidiaries.

Chile's gross margin Consolidated (Retail and Wholesale), totaled Ch\$ 30,748 million (US\$ 46.5 million) and grew 8.8% compared to 2Q'15, only because of the growth in gross margin of the Retail business. In percentage terms, the gross margin was 57.2% as a percentage of sales in 2Q'16, which decreased by 0.9 percentage points over the margin in the 2Q'15. This decrease in gross margin was due to a negative effect of exchange rate variation of the dollar, whereas the autumn/winter collection had a 15.4% increase in exchange rate effect. This effect should have generated a greater decline in gross margin percentage compared to the 2Q'15 but, keeping in line with the strategy of previous quarters to maintain margins, the company was able to contain

the decline in gross margin due to a good revenue management policy and healthy inventory levels.

Retail business Gross margin of Ch\$ 27,154 million (US\$ 41.1 million) increased 10.3% in 2Q'16. The gross margin as a percentage of revenues was 59.2% in 2Q'16, which decreased by 1.4 percentage points from the 60.6% margin of 2Q'15, due to the effect of the peso depreciation of 15.4% in the autumn/winter collection sold this quarter.

Gross margin business Wholesale Ch\$ 3,594 million (US\$ 5.4 million) in 2Q'16 decreased by 1.3% compared to 2Q'15, due to the higher comparative basis of 2Q'15, by having one less Wholesale channel. In terms of percentage, it can be highlighted that gross margin increased by 0.2 percentage points this quarter over the same quarter last year, despite the negative effect of exchange rate faced by Collections.

As for the gross margin of international subsidiaries in the 2Q'16, it grew 2.9%, as a whole, reaching Ch\$ 5,890 million (US\$ 8.9 million), with a gross margin of 53.6% as a percentage of revenues, which increased by 0,1 points over the same period last year. The breakdown by country is as follows:

- **Colombia:** gross margin of Ch\$ 575 million (US\$ 0.9 million) decreased by 20.1% over the same period last year. As a percentage of revenues, it also decreased by 8.3 percentage points from 53.0% in 2Q'15 to 44.7% in 2Q'16. This decrease is explained primarily by the rise in the cost of selling the products, due to the sharp depreciation of the Colombian peso against the dollar. Secondly, due to currency translation effect to CLP, since the gross margin in local currency decreased only 11.2% (compared with 20.1% in CLP), decreasing 6.8 percentage points compared to 2Q'15. Finally, Colombia still have a challenging macroeconomic picture, with a consumer confidence that is still very negative, with economic expectations that worsened during the quarter, and with an aggressive pricing strategy by

competitors, which created a more adverse market, causing the company to choose strategies to boost sales but sacrificing margin, in order to maintain healthy levels of inventories.

- **Peru:** gross margin of Ch\$ 2,231 million (US\$ 3.4 million) grew 1.4% in 2Q'16 compared to the same period last year. It is highlighted that the percentage gross margin of 51.6% in 2Q'16, grew by 0.7 percentage points over the 50.9% of 2Q'15 -growth not seen since the first quarter of 2014 -despite facing collections with higher costs of sales because of the effect of depreciation of the local currency against the dollar. This increase in margin is explained solely by the Retail business and also due to a healthier inventory, in both the quantity and quality of the inventory, as a result of an inventory cleanup strategy that the company has been doing over the past quarters, which allowed it to maintain an effective policy on margins.
- **Uruguay:** gross margin of Ch\$ 3,083 million (US\$ 4.7 million) grew by 9.9% compared to 2Q'15, which as a percentage of revenue reached 57.4% in 2Q'16, this is, 1.5 percentage points above the 55.9% achieved in 2Q'15. It should be noted that there is a negative effect of currency translation because, in local currency, gross margin increased by 22.6% in 2Q'16 and grew by 2.7 percentage points compared to 2Q'15. The gross margin as a percentage of revenues also stands out, considering the negative effect of exchange rate on the cost of selling goods of the collection.
- **Operating Income increased 10.3% in the 2Q 2016 to Ch\$ 12.954 million (US\$ 19.6 million). The Operating margin in 2Q'16 was 20.0%.**

The increase of Consolidated Operating Income is explained by 90% by the increase of the Operating Income of Forus Chile, which reached a figure of Ch\$ 12,541 million (US\$ 19.0 million) in 2Q'16 and grew 9.5% compared to 2Q'15, while the increased of the Operating income of the international subsidiaries accounts for the remaining

10%, which as a whole grew 40% to a profit of Ch\$ 413 million (US\$ 0.6 million) in 2Q'16.

Retail Operating Income in Chile of Ch\$ 11,026 million (US\$ 16.7 million) grew 8.9% in 2Q'16 and, as a percentage of revenue, it reached an operating margin of 24.0% in 2Q'16, which is 0.9 percentage points lower than the operating margin of 24.9% obtained in 2Q'15. This growth in operating income is explained by the growth in the gross margin, which grew by 10.3%, as well as by the decreased of SG&A expenses as a percentage of revenues by 0.5 percentage points, decreasing from a 35.7% of revenues in 2Q'15 to 35.2% of revenues in 2Q'16. In absolute terms, SG&A expenses grew by 11.2% compared to 2Q'15 due to the increase in sales of 12.9% in 2Q'16.

Wholesale Operating Income in Chile was Ch\$ 1,515 million (US\$ 2.3 million) increased by 14.1% over 2Q'15 and as a percentage of revenues represented a 19.1% in 2Q'16, which increased by 2.7 percentage points compared to 2Q'15. This growth is due only to lower SG&A expenses, since the gross margin decreased by 1.3% compared to 2Q'15. SG&A expenses decreased 10.2% compared to 2Q'15 and also have decreased as a percentage of revenues by 2.5 percentage points compared to the SG&A of 2Q'15, going from representing a 28.7% of revenues in the 2Q'15 to a 26.3% of revenues in 2Q'16, despite that revenue decreased by 1.8% in 2Q'16.

Regarding International subsidiaries, they had, as a whole, an operating income of Ch\$ 413 million (US\$ 0.6 million), growing 40% compared to 2Q'15 and increasing as a percentage of revenues by 1.0 percentage point from 2.7% in 2Q'15 to 3.8% in 2Q'16. Operating Results by country are as follows:

- **Colombia:** Operating income loss of Ch\$ -246 million (US\$ -0.4 million) increased by 188.3% compared to the Ch\$ -85 million 2Q'15, due the gross margin decreases of 20.1%, as well as the increased of SG&A by 1.9% in 2Q'16. This loss in operating income is explained by 77% by the operating loss of the Wholesale business,

particularly affected by the exchange rate effect due to the devaluation of the Colombian peso.

- **Peru:** Operating loss of Ch\$ -277 million (US\$ -0.4 million) is 101.8% higher than the operating loss of Ch\$ -137 million of 2Q'15. This represented 6.4% of sales in 2Q'16. This loss can be explained only by the increase in SG&A by 7.3% during 2Q'16, which grew 4.0 percentage points as a percentage of sales. This is due to, on one hand, a sharp increase in advertising costs during this quarter, as well as due to the large number of immature stores that Peru still has due to the large growth on stores in previous years, both organic as inorganic, where to the date there is a 67% of total stores that remains immature, negatively impacting on SG&A costs.
- **Uruguay:** Operating profit of Ch\$ 936 million (US\$ 1.4 million) grew 81.1% compared to the operating profit of Ch\$ 517 million reported in 2Q'15. This result is explained by the increase in gross margin by 9.9% in 2Q'16, due to the increased of sales and because of a good level of SSS of the Retail business in 2Q'16, as well as a significant decrease in the SG&A costs of 6.2%, 5.6 percentage points less compared to 2Q'15 as a percentage of sales, reaching 40.0% of revenues in 2Q'16.

Non-Operating Result

- **Non-Operating Result achieved a gain of Ch\$52 million (US\$ 0.1 million), but decreased by 95.8% compared to the 2Q'15, representing 0.1% of revenues in 2Q'16.**

This drop in Non-operating income compared to the 2Q'15 is explained by the loss in the account Exchange differentials of Ch\$ -524 million (US\$ -0.8 million), decreasing by 175% compared to the Ch\$ 700 million income reported in 2Q'15. This decrease is explained purely by the devaluation effect of the foreign currency in which the cash is invested. On the other hand, financial income grew 700%, earning a profit of Ch\$ 562

million compared to the Ch\$ 70 million reported in 2Q'15, which helped to offset some of the loss caused by exchange rate fluctuations.

Net Profit and EBITDA

- **Net Profit of Ch\$ 9,781 million (US\$ 14.8 million) decreased 3.5% compared to the 2Q'15.**

Net Profit as a percentage of revenues represented 15.1% in 2Q'16. This drop is explained by 76% by the decrease of 95.8% of the consolidated non-operating income in 2Q'16, compared to the 2Q'15, as Operating Income grew 10.3% compared to the 2Q'15. Moreover, it is also explained -by 24%-, by the increase in the effective tax rate of the period, from a 22.0% in the 2Q'15 to a rate of 24.8% paid in 2Q'16.

- **EBITDA of Ch\$ 14,521 million (US\$ 22.0 million) increased 9.2%, reaching an EBITDA margin of 22.5% in 2Q 2016.**

This growth of Consolidated EBITDA is due to the EBITDA growth of Chile (which is 93% of the total), which grew by 10.2% in 2Q'16 compared to 2Q'15, reaching Ch\$ 13,551 million (US\$ 20.5 million) and representing an EBITDA margin of 25.2% in the 2Q'16. Meanwhile, the EBITDA of the international subsidiaries, as a whole, decreased by 2.7% because of the EBITDA fall of both Colombia and Peru. Still, both Peru and Uruguay reported positive EBITDA for 2Q'16.

CHILE• **Retail**

(Million Ch\$)

P&L	2Q '16	% Revenues	2Q '15	% Revenues	Var. % 16/15
Revenues	45.853		40.614		12,9%
Cost of Sales	-18.699		-15.989		17,0%
Gross Margin	27.154	59,2%	24.625	60,6%	10,3%
SG&A	-16.128	-35,2%	-14.502	-35,7%	11,2%
Operating Income	11.026	24,0%	10.124	24,9%	8,9%

(Million Ch\$)

P&L	1S '16	% Revenues	1S '15	% Revenues	Var. % 16/15
Revenues	80.109		73.882		8,4%
Cost of Sales	-34.192		-31.222		9,5%
Gross Margin	45.916	57,3%	42.660	57,7%	7,6%
SG&A	-30.487	-38,1%	-28.174	-38,1%	8,2%
Operating Income	15.429	19,3%	14.486	19,6%	6,5%

Same Store Sales Growth

Data in nominal values (in local currency)

	2015				FY	2016				1S	
	1Q	2Q	3Q	4Q		1Q	2Q	3Q	4Q	2015	2016
SSS	0,8%	-6,4%	-1,2%	-4,5%	-3,2%	-1,8%	9,0%			-3,4%	4,1%

Stores Openings / Closings

	Date	Chain	Store	Sq.meters
Opening	june-16	Hush Puppies	Vivo San Fernando	75
Total				75

Change in Total square meters

	June 2016	June 2015	Var. 16/15	Var. % 16/15
N° Stores	319	310	9	2,9%
Square meters sales area + window	36.364	35.467	897	2,5%

- Wholesale**

(Million Ch\$)

P&L	2Q '16	% Revenues	2Q '15	% Revenues	Var. % 16/15
Revenues	7.911		8.055		-1,8%
Cost of Sales	-4.317		-4.412		-2,2%
Gross Margin	3.594	45,4%	3.642	45,2%	-1,3%
SG&A	-2.079	-26,3%	-2.315	-28,7%	-10,2%
Operating Income	1.515	19,1%	1.328	16,5%	14,1%

(Million Ch\$)

P&L	1S '16	% Revenues	1S '15	% Revenues	Var. % 16/15
Revenues	23.093		24.243		-4,7%
Cost of Sales	-12.689		-13.186		-3,8%
Gross Margin	10.404	45,1%	11.057	45,6%	-5,9%
SG&A	-4.648	-20,1%	-5.274	-21,8%	-11,9%
Operating Income	5.757	24,9%	5.783	23,9%	-0,5%

- Total Chile (Retail + Wholesale)**

(Million Ch\$)

P&L	2Q '16	% Revenues	2Q '15	% Revenues	Var. % 16/15
Revenues	53.764		48.669		10,5%
Cost of Sales	-23.015		-20.401		12,8%
Gross Margin	30.748	57,2%	28.268	58,1%	8,8%
SG&A	-18.207	-33,9%	-16.816	-34,6%	8,3%
Operating Income	12.541	23,3%	11.451	23,5%	9,5%

(Million Ch\$)

P&L	1S '16	% Revenues	1S '15	% Revenues	Var. % 16/15
Revenues	103.202		98.125		5,2%
Cost of Sales	-46.881		-44.408		5,6%
Gross Margin	56.321	54,6%	53.717	54,7%	4,8%
SG&A	-35.135	-34,0%	-33.448	-34,1%	5,0%
Operating Income	21.186	20,5%	20.269	20,7%	4,5%

COLOMBIA

(Million Ch\$)

P&L	2Q '16	% Revenues	2Q '15	% Revenues	Var. % 16/15
Revenues	1.286		1.359		-5,4%
Cost of Sales	-711		-639		11,2%
Gross Margin	575	44,7%	720	53,0%	-20,1%
SG&A	-821	-63,8%	-805	-59,3%	1,9%
Operating Income	-246	-19,1%	-85	-6,3%	188,3%

(Million Ch\$)

P&L	1S '16	% Revenues	1S '15	% Revenues	Var. % 16/15
Revenues	2.448		2.762		-11,4%
Cost of Sales	-1.370		-1.392		-1,6%
Gross Margin	1.078	44,1%	1.370	49,6%	-21,3%
SG&A	-1.565	-63,9%	-1.663	-60,2%	-5,9%
Operating Income	-487	-19,9%	-292	-10,6%	66,4%

Same Store Sales Growth

Data in nominal values (in local currency)

	2015					FY	2016				1S	
	1Q	2Q	3Q	4Q	1Q		2Q	3Q	4Q	2015	2016	
SSS	12,8%	6,3%	4,9%	-1,3%	4,4%	-4,1%	1,5%			9,4%	-1,3%	

Stores Openings / Closings

	Date	Chain	Store	Sq.meters
Closing	abr-16	D House	Plaza Americas	-51
Total				-51

Change in Total square meters

	June 2016	June 2015	Var. 16/15	Var. % 16/15
N° Stores	51	47	4	8,5%
Square meters sales area + window	3.424	3.118	306	9,8%

PERU

(Million Ch\$)

P&L	2Q '16	% Revenues	2Q '15	% Revenues	Var. % 16/15
Revenues	4.321		4.322		0,0%
Cost of Sales	-2.090		-2.122		-1,5%
Gross Margin	2.231	51,6%	2.200	50,9%	1,4%
SG&A	-2.508	-58,1%	-2.337	-54,1%	7,3%
Operating Income	-277	-6,4%	-137	-3,2%	101,8%

(Million Ch\$)

P&L	1S '16	% Revenues	1S '15	% Revenues	Var. % 16/15
Revenues	9.660		9.748		-0,9%
Cost of Sales	-4.828		-4.752		1,6%
Gross Margin	4.833	50,0%	4.996	51,2%	-3,3%
SG&A	-5.260	-54,5%	-4.888	-50,1%	7,6%
Operating Income	-428	-4,4%	108	1,1%	-497,2%

Same Store Sales Growth

Data in nominal values (in local currency)

	2015					FY	2016				1S	
	1Q	2Q	3Q	4Q	1Q		2Q	3Q	4Q	2015	2016	
SSS	2,1%	-6,7%	-12,2%	-11,6%	-7,5%	-2,2%	2,7%			-2,3%	0,1%	

Stores Openings / Closings

	Date	Chain	Store	Sq.meters
Opening	april-16	Billabong	Piura	78
Opening	april-16	Factory Brand	Malvinas	105
Closing	april-16	Billabong	El Sol	-77
Closing	april-16	Shoe Express	El Sol	-76
Closing	april-16	Element	Ica	-37
Closing	april-16	Rockford	Cajamarca	-79
Opening	april-16	Factory Brand	Cajamarca	79
Total				-7

Change in Total square meters

	June 2016	June 2015	Var. 16/15	Var. % 16/15
N° Stores	76	78	-2	-2,6%
Square meters sales area + window	6.273	6.332	-60	-0,9%

URUGUAY

(Million Ch\$)

P&L	2Q '16	% Revenues	2Q '15	% Revenues	Var. % 16/15
Revenues	5.374		5.020		7,0%
Cost of Sales	-2.291		-2.215		3,4%
Gross Margin	3.083	57,4%	2.806	55,9%	9,9%
SG&A	-2.148	-40,0%	-2.289	-45,6%	-6,2%
Operating Income	936	17,4%	517	10,3%	81,1%

(Million Ch\$)

P&L	1S '16	% Revenues	1S '15	% Revenues	Var. % 16/15
Revenues	9.020		8.770		2,9%
Cost of Sales	-4.080		-3.755		8,6%
Gross Margin	4.940	54,8%	5.014	57,2%	-1,5%
SG&A	-4.089	-45,3%	-4.277	-48,8%	-4,4%
Operating Income	851	9,4%	737	8,4%	15,5%

Same Store Sales Growth

Data in nominal values (in local currency)

	2015				FY	2016				1S	
	1Q	2Q	3Q	4Q		1Q	2Q	3Q	4Q	2015	2016
SSS	-6,9%	-6,4%	-3,2%	1,5%	-3,5%	9,5%	12,2%			-6,6%	11,2%

Stores Openings / Closings

	Date	Chain	Store	Sq.meters
Closing	may-16	Shoe Express	Cordon	-53
Opening	may-16	D House	Cordon	53
Closing	may-16	Shoe Express	Pando	-94
Opening	may-16	D House	Pando	94
Closing	june-16	Shoe Express	Cipriano Miro	-105
Total				-105

Change in Total square meters

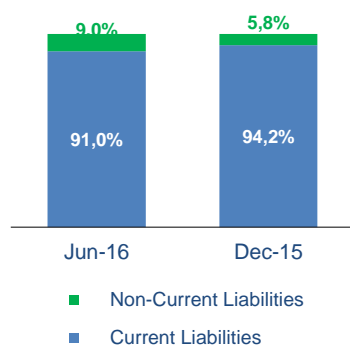
	June 2016	June 2015	Var. 16/15	Var. % 16/15
N° Stores	48	48	0	0,0%
Square meters sales area + window	4.042	4.167	-125	-3,0%

- Liquidity Ratios**

	Units	Jun-16	Dec-15
Current liquidity	times	8,5	5,2
Acid ratio	times	5,3	3,0

- Financial Ratios**

	Units	Jun-16	Dec-15
Liabilities composition			
Current Liabilities	%	91,0%	94,2%
Non-Current Liabilities	%	9,0%	5,8%



	Units	Jun-16	Dec-15
Leverage	times	0,11	0,18

- Profitability Ratios**

	Units	Jun-16	Dec-15
ROA	%	7,2%	15,8%
ROS	%	12,0%	14,1%
ROE	%	8,0%	18,7%

All data is in term of Consolidated Forus.

FORUS S.A. & SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
expressed in Thousands of Chilean Pesos, as for

	June 2016	Dec 2015
	Th Ch\$	Th Ch\$
ASSETS		
Current Assets		
Cash and cash equivalents	7.822.529	6.542.903
Other financial assets, current	57.553.603	55.091.566
Other non-financial assets, current	3.768.723	3.247.456
Trade and other account receivables	26.885.689	24.002.279
Accounts receivables from related companies	1.368	-
Inventories	60.305.407	67.669.510
Tax Assets, current	3.046.331	3.107.986
Total Current Assets	159.383.650	159.661.700
Non-Current Assets		
Other financial assets, Non-current	273.189	369.223
Other non-financial assets, Non-current	2.410.867	1.971.909
Fees receivables, Non-current	183.207	180.313
Investments in Associated	4.065.916	3.948.400
Net intangibles assets	2.928.293	3.424.364
Goodwill	7.126.310	7.126.310
Property, plant and equipments	29.199.937	31.069.163
Deferred tax Assets	1.556.009	1.235.638
Total Non-Current Assets	47.743.728	49.325.320
TOTAL ASSETS	207.127.378	208.987.020
LIABILITIES		
Current Liabilities		
Other financial liabilities, current	772.702	1.472.616
Current trade and other current accounts payable	10.257.026	15.149.159
Current accounts payable to related companies	711.268	740.018
Other current Provisions	1.576.943	7.089.543
Current Provisions for employees benefits	3.623.147	3.834.044
Other non-financial liabilities, current	1.623.874	2.235.118
Total Current Liabilities	18.643.827	30.520.498
Non-Current Liabilities		
Other non-current financial liabilities	1.840.553	1.865.109
Other non-financial non-current liabilities	7.877	7.770
Total Non-Current Liabilities	1.848.430	1.872.879
TOTAL LIABILITIES	20.492.257	32.393.377
SHAREHOLDER'S EQUITY		
Paid-in capital	24.242.787	24.242.787
Retained earnings	144.921.353	133.301.493
Issue Premium	17.386.164	17.386.164
Other reserves	(1.407.667)	300.677
Equity attributable to equity holders of the parent	185.142.637	175.231.121
Non-controlling interest	1.492.484	1.362.522
Total Net Equity	186.635.121	176.593.643
TOTAL NET EQUITY AND LIABILITIES	207.127.378	208.987.020

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 2016 Th Ch\$	June 2015 Th Ch\$	2Q'16 Th Ch\$	2Q'15 Th Ch\$
Revenues	124.192.938	119.322.774	64.677.551	59.314.557
Cost of Sales	(57.021.388)	(54.225.194)	(28.039.731)	(25.320.784)
Gross Margin	67.171.550	65.097.580	36.637.820	33.993.773
Other incomes of total operation	246.897	213.316	212.363	134.827
Logistic costs	(1.311.909)	(1.213.173)	(596.401)	(590.984)
Administrative Expenses	(44.736.936)	(43.062.488)	(23.087.195)	(21.657.295)
Other expenses of total operation	(134.872)	(136.212)	(48.083)	(51.475)
Other gains or (losses)	61.548	506.070	31.758	404.536
Financial Income	998.088	103.682	562.145	70.311
Financial Expenses	(173.764)	(214.376)	(84.942)	(94.815)
Participation in gains (losses) of joint venture businesses accounted by using the proportional value of participation	(164.536)	63.353	(80.412)	67.945
Exchange Differentials	(2.049.801)	1.316.083	(524.129)	700.222
Result of Indexation units	(27.550)	12.538	(16.832)	12.804
Profit before income tax	19.878.715	22.686.373	13.006.092	12.989.849
Income Taxes	(4.958.776)	(5.056.359)	(3.224.675)	(2.857.141)
Profit (loss)	14.919.939	17.630.014	9.781.417	10.132.708
Profit (loss) attributable to equity holders of parent	14.919.939	17.724.733	9.862.933	10.158.364
Profit (loss) attributable to minority interest	(170.803)	(94.719)	(81.516)	(25.656)
Profit (loss)	14.919.939	17.630.014	9.781.417	10.132.708
Income per Share Common shares	\$ 57,7	\$ 68,2	\$ 37,8	\$ 39,2

Address:

Av. Departamental N° 01053
La Florida
Santiago, Chile

Contact:

Macarena Swett / Sebastián Macchiavello
Investor Relations
Telephone: (56 2) 2 923 3035
Email: ir@forus.cl

Website:

www.forus.cl
Go to the Investors menu.