

A woman in a pink shirt and blue pants stands in a narrow slot canyon, looking up at the bright sunlight streaming through the opening. The canyon walls are smooth, reddish-brown rock with some natural rock art. The scene is dramatic, with strong shadows and highlights from the sun.

FINANCIAL
REPORT
THIRD QUARTER 2018
NOVEMBER 2018

FORUS
BRANDS & RETAIL

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Notes:

- All figures in dollars are calculated using the observed dollar exchange rate for October 1st, 2018: (Ch\$ 660.42 per US\$1).
- Symbols for periods in the year: Quarters: 1Q (first quarter), 2Q (Third Quarter), 3Q (third quarter) and 4Q (fourth quarter). 1S (First semester) and 9M (first nine months of the year), as applicable.
- Currency symbols: Ch\$ or CLP: Chilean pesos; US\$: U.S. dollars; M: millions.
- Other symbols: SSS (Same store sales). SG&A: Selling, General and Administration. YoY: Year on Year. DTC: Direct to Consumer sales. Sqm: square meters

Executive Summary

During the third quarter of 2018 the company continued its strategy focused on optimizing margins, achieving improvements in its results in a market environment that continues to be challenging. At a consolidated level, the gross margin increased 121 basis points, the operating result grew 3.6%, expanding the operating margin by 39 basis points, and the net profit grew 20.5% YoY.

The digital business maintained an excellent performance during the quarter, showing in Chile a strong growth of 174% in sales, with increases of 69% in conversion and 56% in volume of traffic to our pages. In addition, it reached the weight of 3.1% over total DTC (Direct To Consumer) sales, increasing by 198 basis points compared to the 1.1% weight of 3Q'17. We continued to strengthen our online presence and enhance the company's digital shopping experience with our successful technology that connects store inventories and the online channel, adding 45 new stores to the system, reaching 117 stores in total by September 2018. And, also with new incorporations of e-commerce to the websites of the company's brands, with 4 in Chile and 1 in Uruguay, in addition to 2 sites launched in a period after 3Q'18 in the other subsidiaries, thus reaching the 27 websites with e-commerce at a consolidated level to date. Among the incorporations after the period, the launch of the first e-commerce site in Peru is highlighted, starting the online business in that country and achieving an online presence in the 4 countries of the region, consistent with the digital growth strategy of the company.

Finally, the subsidiaries maintained their outstanding performance during the quarter, aligned with the results of the profitability strategy. Peru and Colombia stand out again, showing excellent improvements in operation and profitability. In Peru, the strong increases in SSS along with the notable improvements in margin and operating income were enhanced by better brand and collection strategies, a solid team, and the positive effect of the closing of stores with negative contribution. Colombia, on the other hand, also showed a good growth of SSS, and continued with the trend of gross margin and operating income improvement, boosted by better purchasing and retail strategies. These results are due to the efficiency and operational profitability efforts that the subsidiaries have been working on in recent years.

Summary of Consolidated Results 3Q 2018

- Consolidated Revenues decreased -0.7% excluding the currency conversion effect of the subsidiaries. With this effect, the consolidated revenues of Ch\$ 56,779 million (US\$ 86.0 million) decreased -1.1% with respect to 3Q'17.
- Revenues from the digital business in Chile grew 174% compared to 3Q'17.
- The results of the international operations of Peru, Uruguay, and Colombia were again boosted by a strong growth in the gross margin of 190 basis points, in addition to improving the operating result by 171%, achieving a positive result for the second consecutive quarter. Peru's good performance and Colombia' growth enhanced these results, consistent with the international focus and strategy of the company in the last two years.
- Gross margin grew 121 basis points, reaching 52.9% compared to 51.7% in 3Q'17, and Gross Profit of Ch\$ 30,059 million (US\$ 45.5 million) grew 1.2% in the period.
- The Operating Result of Ch\$ 4.936 million (US\$ 7.5 million) increased 3.6%. The operating margin grew 39 basis points in turn, and reached 8.7% of revenues.
- The EBITDA margin remained constant, reaching a margin of 11.1%. The EBITDA of Ch\$ 6.330 million (US\$ 9.6 million) decreased only -0.9% with respect to 3Q'17.
- Net Profit of Ch\$ 3.937 million (US\$ 6.0 million) they grew strongly by 20.5%, and accounted for 6.9% of revenues in 3Q'18.

Summary of Consolidated Result 9M of 2018

- Consolidated Revenues decreased -0.7% excluding the currency conversion effect of the subsidiaries. With this effect, consolidated revenues of Ch\$ 185,797 million (US\$ 281.3 million) decreased -1.9% with respect to consolidated revenues accumulated to September 2017.
- Revenues from digital operations grew 176% in Chile compared to 9M'17.
- The results of the international operations of Peru, Uruguay and Colombia in 9M'18 maintained their good performance, showing growth of 210 basis points in gross margin, and solidly increasing the operating result by 585%. Although sales decreased by -2.9%, the subsidiaries continued to strengthen their operations, and represented 17.0% of the consolidated revenues of 9M'18.
- Gross margin increased 121 basis points, reaching 55.4% compared to 54.2% in the same period of the previous year. The Gross Profit of Ch\$ 102,872 million (US\$ 155.8 million) grew by 0.3% compared to the previous year.
- The operating margin of the period was 14.2% of revenues. The Operating Result of Ch\$ 26,440 million (US\$ 40,0 million) decreased -2.7%.
- The EBITDA margin decreased only 26 basis points with respect to the margin of the same period of the previous year, reaching a margin of 16.5%. The EBITDA of Ch\$ 30,602 million (US\$ 46.3 million) decreased -3,4% with respect to the accumulated to September 2017.
- Net Profit of Ch\$ 20,391 million (US\$ 30.9 million) increased 0.6%, and represented 11.0% as a percentage of revenues in 9M'18.

Highlights of the Period

Store Opening

During the Third Quarter of 2018 the following 4 new stores were opened:

Country	# Stores	Chain	Store	City	Sq. meters
Chile		Hush Puppies	Portal Talca	Talca	94
		Shoe Express	Talca II	Talca	76
Total	2				170
Peru		Patagonia	Salaverry	Lima	70
Total	1				70
Uruguay		Shoe Express	Propios	Montevideo	75
	1				75
Total	4				315

Incorporation of new websites with e-commerce

During the third quarter, new websites with ecommerce of our portfolio brands were added, boosting the online business and strengthening the digital strategy of the company more and more.

Chile

In August the sites **Azaleia** (azaleia.cl) y **Billabong** (billabong.cl) launched their e-commerce, while in September e-commerce websites of **Rockford** (Rockford.cl) and **Body&Soul** (bodyandsoul.cl) were launched.

Uruguay

In September, the site with e-commerce of the Columbia brand (columbia.com.uy) was launched, reaching a total of 5 websites with e-commerce in the country.

Highlights of the Period

Incorporations after the period

During October, in **Chile**, the e-commerce websites for the brand **Nine West** (ninewest.cl) was incorporated, reaching 18 e-commerce websites in the country.

In addition, in **Colombia** the site with e-commerce of **Merrell** (merrellcolombia.com) was incorporated in November, adding the third site in that country.

Finally, in October, the digital business of **Peru** was initiated with the launch of its first e-commerce site, for the brand of **Billabong** (billabong.pe). With this, the company already has a business and a digital strategy present across all 4 countries in which it operates.

Consolidated Income Statement – IFRS

FORUS S.A. & SUBSIDIARIES

Consolidated Income Statement 3rd Quarter

expressed in Thousands of Chilean Pesos from July 1st to September 30th

	3Q'18 Th Ch\$	% Revenues	3Q'17 Th Ch\$	% Revenues	Var. % 18/17
Revenues	56.779.390		57.403.262		-1,1%
Cost of Sales	(26.720.709)	-47,1%	(27.709.364)	-48,3%	-3,6%
Gross Profit	30.058.681	52,9%	29.693.898	51,7%	1,2%
Selling, General and Administrative Expenses	(25.122.248)	-44,2%	(24.929.054)	-43,4%	0,8%
Operating Income	4.936.433	8,7%	4.764.844	8,3%	3,6%
Other incomes of total operation	96.591		365.876		-73,6%
Other expenses of total operation	(78.091)		(110.494)		-29,3%
Financial Income	580.736		59.333		878,8%
Financial Expenses	(111.444)		(108.291)		2,9%
Participation in gains (losses) of joint venture businesses accounted by using the proportional value of participation	(74.122)		(38.304)		93,5%
Exchange Differentials	(78.853)		(546.378)		-85,6%
Result of Indexation units	14.700		7.993		83,9%
Other gains and losses	57.006		79.081		-27,9%
Non-Operating Income	406.523	0,7%	(291.184)	-0,5%	-239,6%
Profit before income tax	5.342.956	9,4%	4.473.660	7,8%	19,4%
Income Taxes	(1.405.708)		(1.206.001)		16,6%
Profit (Loss)	3.937.248	6,9%	3.267.659	5,7%	20,5%
Profit (loss) attributable to equity holders of parent	3.950.117		3.373.354		17,1%
Profit (loss) attributable to minority interest	(12.869)		(105.695)		-87,8%
Profit (loss)	3.937.248	6,9%	3.267.659	5,7%	20,5%
EBITDA	6.330.409	11,1%	6.386.615	11,1%	-0,9%

Consolidated Income Statement – IFRS

FORUS S.A. & SUBSIDIARIES

Consolidated Income Statement

expressed in Thousands of Chilean Pesos accumulated to September 30th

	9M'18 Th Ch\$	% Revenues	9M'17 Th Ch\$	% Revenues	Var. % 18/17
Revenues	185.796.733		189.329.592		-1,9%
Cost of Sales	(82.925.232)	-44,6%	(86.791.742)	-45,8%	-4,5%
Gross Profit	102.871.501	55,4%	102.537.850	54,2%	0,3%
Selling, General and Administrative Expenses	(76.431.079)	-41,1%	(75.366.780)	-39,8%	1,4%
Operating Income	26.440.422	14,2%	27.171.070	14,4%	-2,7%
Other incomes of total operation	335.354		1.303.613		-74,3%
Other expenses of total operation	(268.162)		(478.834)		-44,0%
Financial Income	1.295.483		763.325		69,7%
Financial Expenses	(316.001)		(292.021)		8,2%
Participation in gains (losses) of joint venture businesses accounted by using the proportional value of participation	(318.037)		(128.524)		147,5%
Exchange Differentials	826.618		(496.757)		-266,4%
Result of Indexation units	11.894		(10.857)		-209,6%
Other gains and losses	66.016		(119.803)		-155,1%
Non-Operating Income	1.633.165	0,9%	540.142	0,3%	202,4%
Profit before income tax	28.073.587	15,1%	27.711.212	14,6%	1,3%
Income Taxes	(7.682.130)		(7.449.767)		3,1%
Profit (Loss)	20.391.457	11,0%	20.261.445	10,7%	0,6%
Profit (loss) attributable to equity holders of parent	20.514.846		20.563.490		-0,2%
Profit (loss) attributable to minority interest	(123.389)		(302.045)		-59,1%
Profit (loss)	20.391.457	11,0%	20.261.445	10,7%	0,6%
EBITDA	30.601.692	16,5%	31.667.424	16,7%	-3,4%

Analysis of Consolidated Results

Operating Results

- **Consolidated Revenues decreased -0.7% excluding the currency conversion effect of the subsidiaries. With this effect, the consolidated revenues of Ch\$ 56,779 million (US\$ 86.0 million) decreased -1.1% with respect to 3Q'17.**

In Chile, sales reached Ch\$ 46,422 million (US\$ 70.3 million) during 3Q'18 and represented 82% of consolidated revenues. Regarding the Retail business in Chile, sales continued to be affected by low consumption levels, a volatile weather during the quarter, and lower sales to foreigners compared to the previous year, which continued to decrease in flow to the country and our stores. Due to the above, sales decreased - 2.2% compared to 3Q'17.

Even so, the operation was once again supported by the exceptional performance of the digital business in Chile. Sales grew 174%, boosted by the Stock App application that reached a total of 117 stores, adding 45 physical stores in the quarter, and the addition of 4 new websites with e-commerce, to enhance the online presence and digital shopping experience of the company. This good performance allowed the weight of the digital business over DTC sale to increase strongly again, going from 1.1% to 3.1% in 3Q'18.

Regarding the subsidiaries, the results by country are as follows:

- In **Peru**, sales show a strong growth of 10.8% compared to 3Q'17, boosted by an SSS growth of 13.8%. It is also highlighted that sales grew in local currency by 9.0% compared to sales in 3Q'17, which is even more remarkable considering the still present effect of the reduction of square meters of low contribution to September of this year (-13.7% in square meters, corresponding to 9 fewer stores).
- In **Uruguay**, sales in their local currency grew 6.7% with respect to 3Q'17, given the growth of SSS of 3.3% and the increase in square meters of 4.5% compared to September 2017.
- In **Colombia**, sales grew 2.5%, boosted by an good SSS of 6.3% as a result of the good commercial and retail strategies that are still been carried out in the subsidiary, consistent with the company's profitability efforts. This growth in sales is remarkable, considering that the sqm decreased in -5.2% YoY as of September 2018.

Analysis of Consolidated Results

- **Gross margin grew 121 basis points, reaching 52.9% compared to 51.7% in 3Q'17, and Gross Profit of Ch\$ 30,059 million (US\$ 45.5 million) grew 1.2% in the period.**

The Gross Margin grows thanks to the remarkable expansion of the gross margin both of Chile at 104 basis points, and of the subsidiaries, which expanded their margin by 190 basis points during the period. The company continued its focus on maximizing margin and brand value across all of its operations in response to the challenging market environment present during the quarter.

The gross margin of Chile increased thanks to the gross margin of the retail business, which expanded 115 basis points and reached 53.3% with respect to 3Q'17, as well as the expansion of the wholesale margin. The gross profit of Chile, remained practically stable, decreasing only -0.3% YoY.

With respect to the Gross Profit of the international subsidiaries, the detail by country is the following:

- **Peru:** Gross profit grew by 17.0%, and gross margin increased 285 basis points, reaching 54.3% at 3Q'18 compared to 51.4% in 3Q'17, boosted by the expansion of gross retail margin. This outstanding performance is the result of the profitability and margin maximization strategies that the subsidiary continues to carry out.
 - **Uruguay:** Gross margin expanded 48 basis points, reaching 56.5%, in line with the company's brand value protection strategy.
 - **Colombia:** The gross margin grew solidly by 460 basis points, reaching 47.8%, aligned with the strategies of maximizing margins and strengthening the retail business in the subsidiary. Gross profit grew by 13.4% during 3Q'18.
- **The Operating Result of Ch\$ 4.936 million (US\$ 7.5 million) increased 3.6%. The operating margin grew 39 basis points in turn, and reached 8.7% of revenues.**

This growth is explained by the subsidiaries, which showed a 171% increase in operating income, going from an operating loss in 3Q'17 to a positive result of Ch\$ 213 million (US\$ 0.3 million) in 3Q'18, thanks to improvements in the operation of Peru and Colombia. On the other hand, the Operating Result of Chile fell -6.7% due to the increase in SG&A expenses of 1.4% explained by higher logistics and rent costs of stores.

Analysis of Consolidated Results

The Operational Results by countries are the following:

- **Peru:** The operating result improves by 118% contrasted with 3Q'17, due to the sales growth of 10.8%, boosted by the expansion of 285 basis points of gross margin, and the solid decrease in SG&A expenses, which fell 668 basis points as a percentage of sales. Profitability strategies, the positive impact of the process of reducing deficient square meters, and the positive effect of growth in sales allowed this remarkable performance.
- **Uruguay:** The Operating result decreased -13.2% contrasted with 3Q'17, impacted by higher operating costs.
- **Colombia:** Operating loss decreased -77.3% compared to 3Q'17. This great improvement is due to the outstanding performance of the Retail business, explained by the growth of SSS and gross profit, together with the sharp reduction in SG&A costs (both in absolute value and percentage of sales of 193 percentage points), thanks to strategies of control of expenses and to the process of reduction of square meters of low contribution carried out during the previous quarters. In turn, the wholesale business also explains the decrease in operating loss.

Non-Operating Result

- **Non-operating income increased 239.6%, reaching a result of Ch\$ 407 million (US\$ 0.6 million) compared to 3Q'17 loss.**

This growth in the Non-Operating Result is explained by the Financial Income account, which grew 878.8% due to the profitability of the cash in Chilean pesos, and the Exchange Differences account, whose loss decreased 85.6% from Ch -\$546 million (US\$ -0.8 million) to Ch -\$79 million (US\$ -0.1 million), due to the positive effect of the exchange rate on the cash that is invested in dollars.

Net Profit and EBITDA

- **Net Profit of Ch\$ 3.937 million (US\$ 6.0 million) they grew strongly by 20.5%, and accounted for 6.9% of revenues in 3Q'18.**

Net Income as a percentage of revenues increased by 124 basis points, from 5.7% in 3Q'17 to 6.9% in 3Q'18. This solid growth is explained by the notable improvement in the non-operating result, as well as by the growth of the company's operating result of 3.6%.

Analysis of Consolidated Results

- **The EBITDA margin remained constant, reaching a margin of 11.1%. The EBITDA of Ch\$ 6.330 million (US\$ 9.6 million) decreased only -0.9% with respect to 3Q'17.**

The growth of EBITDA in Peru and the recovery of EBITDA in Colombia stand out, which managed to maintain the consolidated EBITDA margin of the company.

Analysis of Financial Statements

Consolidated Balance Sheet

- **Assets (in millions of Ch\$)**

	Sep-2018	Dec-2017	Var.	
	M Ch\$	M Ch\$	M Ch\$	%
Current Assets	201.488	192.690	8.798	4,6%
Non-Current Assets	43.882	44.087	-206	-0,5%
Total Assets	245.370	236.777	8.592	3,6%

Current assets show significant changes in cash and equivalents for Ch\$ 5,986 million (US\$ 9.1 million) and in other current financial assets for Ch\$ 11,154 million (US\$ 16.9 million), both products of temporary cash surpluses; in addition, the variations in commercial debtors and other accounts receivable, with an increase of Ch\$ 4,084 million (US\$ 6.2 million), and a decrease in inventories compared to December 2017 of Ch\$ -10,000 million (US\$ 15.1 million), the latter as a result of the rationalization of purchases given the economic environment. It should be noted that, if we consider the consolidated inventories of the period compared to September 2017, they decrease in Ch\$ -2,069 million (US\$ -3.1 million).

Non-current assets did not suffer significant variations, except for the difference generated by the amortization of software and other intangibles, showing a decrease in intangible assets other than goodwill of Ch\$ -220 million (US\$ -0.3 million).

- **Liabilities (in millions of Ch\$)**

	Sep-2018	Dec-2017	Var.	
	M Ch\$	M Ch\$	M Ch\$	%
Current Liabilities	21.835	30.841	-9.006	-29,2%
Non-Current Liabilities	1.653	1.719	-66	-3,8%
Shareholder's Equity	221.882	204.217	17.665	8,6%
Total Liabilities	245.370	236.777	8.592	3,6%

The decrease in **current liabilities** of Ch\$ -9,006 million (US\$ -13.6 million) is mainly due to the payment of obligations with suppliers, which decreased by Ch\$ -3,035 million (US\$ -4.6 million), and the decrease of other current provisions, which decreased by Ch\$ -4,204 million (US\$ -6.4 million), as a result of the payment of obligations that were provisioned at the end of the previous year.

Analysis of Financial Statements

Non-current liabilities, meanwhile, do not suffer variations that are different from the re-expression of obligations due to variation in the currency in which they must be paid and / or the reclassification of the installments of bonds that mature within the short term.

- **Shareholder's Equity**

The balance of Equity as of September 30, 2018 and December 31, 2017 is as follows:

	Sep-2018	Dec-2017	Var.	
	M Ch\$	M Ch\$	M Ch\$	%
Paid-in capital	24.243	24.243	0	0,0%
Other reserves	14.579	14.576	4	0,0%
Retained earnings	182.249	164.527	17.722	10,8%
Non-controlling interest	811	872	-61	-7,0%
Total Equity	221.882	204.217	17.665	8,6%

Equity presents a total increase of Ch\$ 17.665 million (US\$ 26.7 million), mainly due to the Net Profit of the period. The accumulated result for the first 9 month of 2018 presents a positive change of 0.64% with respect to the same period of the previous year.

The variation of Other Reserves corresponds to the differences in the conversion of subsidiaries according to the following detail:

	M Ch\$
Perú Forus S.A.	570
Uruforus S.A.	-788
Forus Colombia S.A.S.	65
Lifestyle Brands of Colombia	157
Total Conversion Differentials	4

Analysis of Financial Statements

Financial Ratios

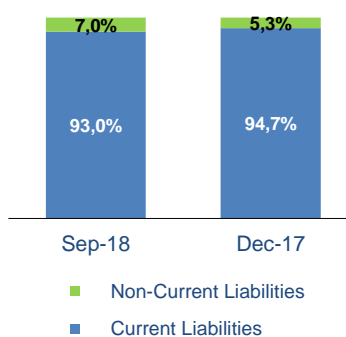
- Liquidity Ratios**

	Units	Sep-18	Dec-17	Var.
Current liquidity	times	9,2	6,2	2,98
Acid ratio	times	6,0	3,6	2,35

The current liquidity index shows a positive variation with respect to the previous year and, the same effect is shown by the acid ratio that goes from 3.62 times at December 2017 to 5.97 times at the end of September 2018, which are mainly explained by the increase in financial assets and current accounts receivable and a decrease in current liabilities.

- Debt Ratios**

	Units	Sep-18	Dec-17
Liabilities composition			
Current Liabilities	%	93,0%	94,7%
Non-Current Liabilities	%	7,0%	5,3%



	Units	Sep-18	Dec-17	Var.
Leverage	times	0,11	0,16	-0,05
Interest Coverage	times	64,53	69,25	-4,72

Analysis of Financial Statements

- **Profitability Ratios**

	Units	Sep-18	Sep-17	Var.
ROA	%	8,3%	8,8%	-0,54%
ROS	%	11,0%	10,7%	0,27%
ROE	%	9,2%	9,8%	-0,61%
EPS	\$	78,89	78,39	0,50

Regarding profitability, the Company shows a positive variation of \$ 0.50 in earnings per share with respect to the same period of the previous year, which represents an increase of 0.64%.

Consolidated Cash Flow

	Sep-2018	Sep-2017	Var.
	M Ch\$	M Ch\$	M Ch\$
Cash Flow from Operating Activities	27.053	21.759	5.293
Cash flows from (used in) investment activities	-13.125	-12.336	-788
Cash flows from (used in) financing activities	-8.029	-5.705	-2.323

Operating activities generated a positive variation with respect to the same period of the previous year by Ch\$ 5,293 million (US\$ 8.0 million), whose main variations are due, on one hand, to a lower collection from sales of goods and / or services of Ch\$ -3,915 million (US\$ -5.9 million), consistent with the decrease in revenues, and at the lowest disbursement for payment to suppliers and other accounts of the operation for Ch\$ 14,912 million (US\$ 22.6 million).

The negative variation in the flows of investment activities is mainly due to the higher disbursement for investments in financial assets that is shown as "Other cash inflows (outflows)" with a negative variation of Ch\$ -911 million (US\$ 1.4 million), as of September 2018.

Finally, the negative variation in the **flow of financing activities** is mainly due to lower use of bank guarantees or letters of credit for the payment of merchandise.

Analysis of Financial Statements

Market Risk Analysis

Regional Risk: Chile returns to an unfavorable scenario, maintaining the low levels of market dynamism, while levels of consumer confidence and business confidence fall during the quarter, contrasted with the trend that had been showing in the previous quarter. In addition, unemployment remained high, and consumption figures decreased during the period. Uruguay adjusts its growth projections downward, with a more challenging environment for business growth. Although consumer confidence increases slightly, it remains at the pessimistic level, and unemployment and consumption figures show a deterioration during the period. Peru maintains its recovery trend stable for the third quarter of the year, moderating the level of the economic expectations index, but improving the consumer confidence index, as well as the growth projections for consumption and trade. Finally, maintains its economic scenario stable, but moderates its recovery expectations during the third quarter. Inflation levels remain stable, but unemployment increases slightly, and confidence indexes fell again. Environment remained challenging in the country.

Foreign exchange risk: In Chile, the volatility of the exchange rate increased, showing a depreciation of the Chilean peso against the dollar towards the end of the period, generating an unfavorable FX effect for our business operation. With respect to the subsidiaries, exchange rate volatility also increased in all the subsidiaries during the quarter, with fluctuations of local currencies increasing compared to the same period of the previous year.

Financial risk: The Company continues the policy of conservative management of its cash, increasing its fund volume for investments during 2018 and maintaining a very low level of debt.

Summary Table of Countries

Revenues (Millions Ch\$)

	3Q '18	3Q '17	Var %	Var % Local Currency	9M'18	9M'17	Var %	Var % Local Currency
Chile	46.422	47.496	-2,3%	-2,3%	154.318	156.980	-1,7%	-1,7%
Colombia	1.159	1.131	2,5%	-1,4%	3.334	3.620	-7,9%	-5,9%
Peru	4.594	4.145	10,8%	9,0%	13.433	13.331	0,8%	4,8%
Uruguay	4.646	4.677	-0,7%	6,7%	14.856	15.610	-4,8%	5,1%
Total Filiales	10.399	9.952	4,5%		31.623	32.562	-2,9%	

Same Store Sales

Data in nominal values (in local currency)

	2017				2018				2017	2018
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	9M	9M
Chile	3,8%	7,3%	4,7%	-1,8%	-2,9%	-5,0%	-5,3%		5,5%	-4,5%
Colombia	4,3%	-9,4%	-5,8%	-7,7%	-6,9%	11,2%	6,3%		-3,8%	3,3%
Peru	-9,1%	1,1%	4,1%	-4,9%	8,0%	7,5%	13,8%		-1,7%	9,8%
Uruguay	3,2%	4,5%	4,6%	10,6%	8,6%	-7,6%	3,3%		4,2%	-0,4%

Number of stores and surfaces of square meters

	September 2018		September 2017	
	# Stores	Surface of sqm	# Stores	Surface of sqm
Chile	335	38.520	327	37.513
Colombia	52	3.488	55	3.678
Perú	65	5.402	74	6.259
Uruguay	59	4.890	56	4.681
Total	511	52.300	512	52.130

Data by Country and Business

CHILE

- Retail**

(Million Ch\$)

P&L	3Q '18	% Revenues	3Q '17	% Revenues	Var. %
Revenues	36.633		37.441		-2,2%
Cost of Sales	-17.107		-17.914		-4,5%
Gross Profit	19.526	53,3%	19.528	52,2%	0,0%
SG&A	-17.238	-47,1%	-16.479	-44,0%	4,6%
Operating Income	2.288	6,2%	3.048	8,1%	-24,9%

(Million Ch\$)

P&L	9M '18	% Revenues	9M '17	% Revenues	Var. %
Revenues	122.215		123.138		-0,7%
Cost of Sales	-52.750		-54.050		-2,4%
Gross Profit	69.465	56,8%	69.089	56,1%	0,5%
SG&A	-53.085	-43,4%	-49.907	-40,5%	6,4%
Operating Income	16.379	13,4%	19.181	15,6%	-14,6%

Same Store Sales Growth

Data in nominal values (in local currency)

	2017				2018				9M	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	2017	2018
SSS	3,8%	7,3%	4,7%	-1,8%	-2,9%	-5,0%	-5,3%		5,5%	-4,5%

Stores Openings / Closings

	Date	Chain	Stores	Sq.meters
Opening	jul-18	Hush Puppies	Portal Talca	94
Closing	ago-18	We Love Shoes	Plaza Tobalab	-62
Closing	ago-18	Hush Puppies	Talca II	-76
Opening	ago-18	Shoe Express	Talca II	76
Closing	sept-18	Billabong	Plaza Sur	-100
Total				-68

Change in Total square meters

	September 2018	September 2017	Var. 18/17	Var. %
N° Stores	335	327	8	2,4%
Square meters sales area + window	38.520	37.513	1.007	2,7%

Data by Country and Business

- Wholesale**

(Million Ch\$)

P&L	3Q '18	% Revenues	3Q '17	% Revenues	Var. %
Revenues	9.789		10.054		-2,6%
Cost of Sales	-4.929		-5.128		-3,9%
Gross Profit	4.860	49,6%	4.927	49,0%	-1,3%
SG&A	-2.425	-24,8%	-2.911	-29,0%	-16,7%
Operating Income	2.435	24,9%	2.015	20,0%	20,9%

(Million Ch\$)

P&L	9M '18	% Revenues	9M '17	% Revenues	Var. %
Revenues	32.103		33.842		-5,1%
Cost of Sales	-15.927		-17.450		-8,7%
Gross Profit	16.176	50,4%	16.392	48,4%	-1,3%
SG&A	-7.094	-22,1%	-8.200	-24,2%	-13,5%
Operating Income	9.082	28,3%	8.192	24,2%	10,9%

- Total Chile (Retail + Wholesale)**

(Million Ch\$)

P&L	3Q '18	% Revenues	3Q '17	% Revenues	Var. %
Revenues	46.422		47.496		-2,3%
Cost of Sales	-22.036		-23.041		-4,4%
Gross Profit	24.386	52,5%	24.454	51,5%	-0,3%
SG&A	-19.662	-42,4%	-19.391	-40,8%	1,4%
Operating Income	4.724	10,2%	5.064	10,7%	-6,7%

(Million Ch\$)

P&L	9M '18	% Revenues	9M '17	% Revenues	Var. %
Revenues	154.318		156.980		-1,7%
Cost of Sales	-68.677		-71.500		-3,9%
Gross Profit	85.641	55,5%	85.481	54,5%	0,2%
SG&A	-60.179	-39,0%	-58.108	-37,0%	3,6%
Operating Income	25.462	16,5%	27.373	17,4%	-7,0%

Data by Country and Business

COLOMBIA

(Million Ch\$)

P&L	3Q '18	% Revenues	3Q '17	% Revenues	Var. %
Revenues	1.159		1.131		2,5%
Cost of Sales	-605		-642		-5,8%
Gross Profit	554	47,8%	488	43,2%	13,4%
SG&A	-595	-51,3%	-669	-59,2%	-11,1%
Operating Income	-41	-3,5%	-181	-16,0%	-77,3%

(Million Ch\$)

P&L	9M '18	% Revenues	9M '17	% Revenues	Var. %
Revenues	3.334		3.620		-7,9%
Cost of Sales	-1.791		-2.066		-13,3%
Gross Profit	1.543	46,3%	1.555	42,9%	-0,7%
SG&A	-1.800	-54,0%	-2.138	-59,1%	-15,8%
Operating Income	-257	-7,7%	-584	-16,1%	-56,0%

Same Store Sales Growth

Data in nominal values (in local currency)

	2017				2018				9M	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	2017	2018
SSS	4,3%	-9,4%	-5,8%	-7,7%	-6,9%	11,2%	6,3%		-3,8%	3,3%

Store Openings / Closings

There were no openings or closings during this quarter.

Change in Total square meters

	September 2018	September 2017	Var. 18/17	Var. %
N° Stores	52	55	-3	-5,5%
Square meters sales area + window	3.488	3.678	-191	-5,2%

Data by Country and Business

PERU

(Million Ch\$)

P&L	3Q '18	% Revenues	3Q '17	% Revenues	Var. %
Revenues	4.594		4.145		10,8%
Cost of Sales	-2.102		-2.014		4,3%
Gross Profit	2.492	54,3%	2.130	51,4%	17,0%
SG&A	-2.431	-52,9%	-2.470	-59,6%	-1,6%
Operating Income	61	1,3%	-340	-8,2%	-118,0%

(Million Ch\$)

P&L	9M '18	% Revenues	9M '17	% Revenues	Var. %
Revenues	13.433		13.331		0,8%
Cost of Sales	-6.185		-6.571		-5,9%
Gross Profit	7.249	54,0%	6.760	50,7%	7,2%
SG&A	-7.069	-52,6%	-7.727	-58,0%	-8,5%
Operating Income	179	1,3%	-967	-7,2%	-118,6%

Same Store Sales Growth

Data in nominal values (in local currency)

	2017				2018				9M	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	2017	2018
SSS	-9,1%	1,1%	4,1%	-4,9%	8,0%	7,5%	13,8%		-1,7%	9,8%

Store Openings / Closings

	Date	Chain	Stores	Sq.meters
Opening	ago-18	Patagonia	Salaverry	70
Total				70

Change in Total square meters

	September 2018	September 2017	Var. 18/17	Var. %
N° Stores	65	74	-9	-12,2%
Square meters sales area + window	5.402	6.259	-857	-13,7%

Data by Country and Business

URUGUAY

(Million Ch\$)

P&L	3Q '18	% Revenues	3Q '17	% Revenues	Var. %
Revenues	4.646		4.677		-0,7%
Cost of Sales	-2.020		-2.056		-1,8%
Gross Profit	2.626	56,5%	2.621	56,0%	0,2%
SG&A	-2.434	-52,4%	-2.399	-51,3%	1,4%
Operating Income	192	4,1%	222	4,7%	-13,2%

(Million Ch\$)

P&L	9M '18	% Revenues	9M '17	% Revenues	Var. %
Revenues	14.856		15.610		-4,8%
Cost of Sales	-6.417		-6.867		-6,5%
Gross Profit	8.439	56,8%	8.743	56,0%	-3,5%
SG&A	-7.383	-49,7%	-7.394	-47,4%	-0,2%
Operating Income	1.056	7,1%	1.348	8,6%	-21,7%

Same Store Sales Growth

Data in nominal values (in local currency)

	2017				2018				9M	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	2017	2018
SSS	3,2%	4,5%	4,6%	10,6%	8,6%	-7,6%	3,3%		4,2%	-0,4%

Store Openings / Closings

	Date	Chain	Store	Sq.meters
Opening	sept-18	Shoe Express	Propios	75
Total				75

Change in Total square meters

	September 2018	September 2017	Var. 18/17	Var. %
N° Stores	59	56	3	5,4%
Square meters sales area + window	4.890	4.681	210	4,5%

Consolidated Balance Sheets

FORUS S.A. & SUBSIDIARIES CONSOLIDATED BALANCE SHEETS

expressed in Thousands of Chilean Pesos, as for

	September 2018 Th Ch\$	December 2017 Th Ch\$
ASSETS		
Current Assets		
Cash and cash equivalents	10.350.738	4.365.036
Other financial assets, current	86.575.669	75.421.967
Other non-financial assets, current	3.796.766	4.670.445
Trade and other account receivables	27.002.293	22.917.676
Accounts receivables from related companies	962	728
Inventories	71.108.470	81.107.972
Tax Assets, current	2.653.216	4.206.129
Total Current Assets	201.488.114	192.689.953
Non-Current Assets		
Other financial assets, Non-current	25.975	24.082
Other non-financial assets, Non-current	2.557.297	2.510.947
Fees receivables, Non-current	191.331	184.291
Investments in Associated	1.959.102	2.119.934
Net intangibles assets	1.901.496	2.121.096
Goodwill	6.026.310	6.026.310
Property, plant and equipments	29.492.516	29.516.461
Deferred tax Assets	1.727.533	1.584.262
Total Non-Current Assets	43.881.560	44.087.383
TOTAL ASSETS	245.369.674	236.777.336
LIABILITIES		
Current Liabilities		
Other financial liabilities, current	1.192.907	2.509.939
Current trade and other current accounts payable	10.723.324	13.758.364
Current accounts payable to related companies	1.005.928	1.040.954
Other current Provisions	2.064.475	6.268.537
Current Provisions for employees benefits	5.368.875	5.271.454
Other non-financial liabilities, current	1.479.039	1.991.597
Total Current Liabilities	21.834.548	30.840.845
Non-Current Liabilities		
Other non-current financial liabilities	1.647.006	1.711.367
Other non-financial non-current liabilities	6.431	8.067
Total Non-Current Liabilities	1.653.437	1.719.434
TOTAL LIABILITIES	23.487.985	32.560.279
SHAREHOLDER'S EQUITY		
Paid-in capital	24.242.787	24.242.787
Retained earnings	182.248.582	164.526.777
Issue Premium	17.386.164	17.386.164
Other reserves	(2.806.854)	(2.810.404)
Equity attributable to equity holders of the parent	221.070.679	203.345.324
Non-controlling interest	811.010	871.733
Total Net Equity	221.881.689	204.217.057
TOTAL NET EQUITY AND LIABILITIES	245.369.674	236.777.336

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

	9M'18	9M'17	3Q'18	3Q'17
	Th Ch\$	Th Ch\$	Th Ch\$	Th Ch\$
Revenues	185.796.733	189.329.592	56.779.390	57.403.262
Cost of Sales	(82.925.232)	(86.791.742)	(26.720.709)	(27.709.364)
Gross Margin	102.871.501	102.537.850	30.058.681	29.693.898
Other incomes of total operation	335.354	1.303.613	96.591	365.876
Logistic costs	(2.385.686)	(2.146.254)	(793.728)	(741.214)
Administrative Expenses	(74.045.393)	(73.220.526)	(24.328.520)	(24.187.840)
Other expenses of total operation	(268.162)	(478.834)	(78.091)	(110.494)
Other gains or (losses)	66.016	(119.803)	57.006	79.081
Financial Income	1.295.483	763.325	580.736	59.333
Financial Expenses	(316.001)	(292.021)	(111.444)	(108.291)
Participation in gains (losses) of joint venture businesses accounted by using the proportional value of participation	(318.037)	(128.524)	(74.122)	(38.304)
Exchange Differentials	826.618	(496.757)	(78.853)	(546.378)
Result of Indexation units	11.894	(10.857)	14.700	7.993
Profit before income tax	28.073.587	27.711.212	5.342.956	4.473.660
Income Taxes	(7.682.130)	(7.449.767)	(1.405.708)	(1.206.001)
Profit (loss)	20.391.457	20.261.445	3.937.248	3.267.659
Profit (loss) attributable to equity holders of parent	20.391.457	20.563.490	3.950.117	3.373.354
Profit (loss) attributable to minority interest	(123.389)	(302.045)	(12.869)	(105.695)
Profit (loss)	20.391.457	20.261.445	3.937.248	3.267.659
Income per Share Common shares	\$ 78,9	\$ 78,4	\$ 15,2	\$ 12,6

Consolidated Cash Flow Statement

FORUS S.A.
INDIVIDUAL CASH FLOWS STATEMENT
 expressed in Thousands of Chilean Pesos, as for

	September 2018 Th Ch\$	September 2017 Th Ch\$
Cash Flows Originating from (used in) Operating Activities		
Types of Earnings from operating activities		
Earnings from sales of goods and rendering of services	211.844.630	215.759.287
Earnings from Premiums and benefits, annual payments and other benefits of subscribed policies	131.328	110.001
Other earnings from operating activities	80.376	8.380
Types of Payment		
Payments to suppliers for the supply of goods and services	(134.586.897)	(149.499.384)
Payments to and on behalf of employees	(27.854.410)	(25.936.048)
Payments for premiums and benefits, annuities and other obligations derived from the policies subscribed	(81.057)	(70.869)
Other payments for operating activities	(271.235)	(154.567)
Net cash flows originating from (used in) the operation	49.262.735	40.216.800
Income taxes paid (reimbursed), classified as operating activities	(7.899.369)	(4.982.320)
Other cash inflows (outflows), classified as operating activities	(14.310.510)	(13.475.029)
Cash flows from (used in) operating activities	27.052.856	21.759.451
Cash Flows Originating from (used in) investment activities		
Purchases of property, plant and equipment, classified as investment activities	(3.909.245)	(4.099.776)
Cash flows from sales of intangible assets, classified as investment activities	-	269.234
Purchases of intangible assets, classified as investment activities	(39.332)	(169.170)
Purchases of other long-term assets classified as investment activities	(244.896)	(364.079)
Dividends received, classified as investment activities	1.581	47.844
Interest received, classified as investment activities	107.862	109.368
Other cash inflows (outflows), classified as investment activities	(9.040.718)	(8.129.809)
Cash flows from (used in) investing activities	(13.124.748)	(12.336.388)
Cash Flows Originating from (used in) financing activities		
Amounts from short-term loans	18.445.815	22.790.160
Loans Reimbursements, classified as financing activities	(19.373.127)	(21.673.699)
Dividends paid, classified as financing activities	(7.060.045)	(6.816.572)
Interest paid, classified as financing activities	(41.335)	(16.742)
Other cash inflows (outflows), classified as financing activities	-	11.492
Cash flows from (used in) financing activities	(8.028.692)	(5.705.361)
Increase (decrease) in cash and cash equivalents, before the effect of the changes in the exchange rate	5.899.416	3.717.702
Effects of the Exchange Rate Variation on Cash and Cash Equivalents		
Effects of the Exchange Rate Variation on Cash and Cash Equivalents	86.286	(50.268)
Increase (decrease) of the Cash and Cash Equivalents	5.985.702	3.667.434
Cash and Cash Equivalents (Initial Balance)	4.365.036	4.068.088
Cash and Cash Equivalents (Final Balance)	10.350.738	7.735.522

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