

FINANCIAL REPORT

1Q 2019

MAY 2019



FORUS
BRANDS & RETAIL

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Notes:

- All figures in dollars are calculated using the observed dollar exchange rate for April 1st, 2019: (Ch\$ 678.53 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), 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 over Year. DTC: Direct to Consumer. Sqm: square meters

In the first quarter of 2019, Forus marked an important milestone in its history, with the inauguration of its **new corporate headquarters**, located in the Eastern sector of Santiago. Designed to promote teamwork and complying with LEED Gold standards for energy efficiency and environmental conservation, Forus' new facilities seek to create an environment that enhances the productivity, creativity and quality of life of its employees. Together with achieving this important milestone, the Company reported Net income of Ch\$ 11,518 million in 1Q'19, an increase of 99.8% over the same period last year, driven by the sale of our former administrative facilities, located on Avenida Departamental.

In addition, in January 2019 Forus acquired the rights to the **Aldo brand for its subsidiary in Uruguay**, in a transaction that included the acquisition of its inventories, as well as two stores located in Montevideo, in the country's primary shopping centers.

The **digital business** marked another sales record this quarter, with revenue growth of **114%** in Chile. This quarter we launched Zapatillas.cl, a multi-brand site aimed at the newer generations, which brings us to a total of 29 e-commerce sites at the consolidated level at the end of 1Q'19. Also, during the quarter, we added new functionalities to our site portfolio (for example, a new payment option, purchase tracking). Finally, we continued to expand the reach of our integrated inventory model, in which our stores act as mini-CD's for the digital business. We closed the quarter with 129 stores integrated into the Forus App system in Chile, 19 more than at the end of 4Q'18, with which we expanded the depth of available SKUs, as well as the scope and efficiency of our e-commerce distribution network.

On the other hand, Forus continued to face a challenging retail environment in Chile this quarter. National consumption remained sluggish and purchases made by foreigners continued to decline, mainly explained by the already well-established decrease in Argentine tourism. On top of this, the industry continued to implement aggressive promotional strategies. Our subsidiaries, in the meantime, faced tougher headwinds than last quarter, explained by both market and macroeconomic forces, which affected their results during the quarter.

Summary of Consolidated 1Q 2019 Results

- Net income in 1Q'19 reached Ch\$ 11,518 million, up 99.8% compared to the same period last year, with a Net income margin of 20.5%.
- Ebitda came in at Ch\$ 9,726 million, an increase of 5.9% compared to 1Q'18. The Ebitda margin of 17.3% expanded by 220 basis points. Excluding the effect of IFRS 16, Ebitda would have been Ch\$ 5,909 million, which would have represented a decrease of 35.7% with respect to 1Q'18 and an Ebitda margin contraction of 459 basis points.
- Revenues from the digital business in Chile grew 114% compared to 1Q'18. We finished the quarter with 129 stores integrated to the Forus App in Chile.
- Operating Income reached Ch\$ 4,968 million, down 36.3% versus the same period last year. The operating margin decreased by 398 basis points to 8.8% of revenues.
- Consolidated Revenues decreased 7.6% to Ch\$ 56,223 million.
- The Gross margin declined by 130 basis points, to 52.5%, compared to 53.8% in 1Q'18. Gross income decreased 9.8% to Ch\$ 29,524 million.

Highlights of the Period

Store Openings and Closings

During the first quarter of 2019, we opened 12 new stores and closed five stores, for a total net addition of seven stores:

Openings					
Country	# Stores	Chain	Store	City	Sqm
Chile		Caterpillar	Mall Independencia	Santiago	81
		Columbia	Plaza Sur	Santiago	68
		Caterpillar	Plaza Sur	Santiago	54
		Funsport	Coquimbo	Coquimbo	102
		Columbia	Valdivia	Valdivia	201
	6				612
Uruguay		Aldo	Punta Carretas	Montevideo	68
		Aldo	Montevideo Shopping	Montevideo	99
		Hush Puppies Kids	Punta Carretas	Montevideo	28
		Merrell	Punta Carretas	Montevideo	41
	4				236
Perú		Patagonia	Jockey Plaza	Lima	55
	1				55
Colombia		Hush Puppies	Envigado		56
	1				56
Total	12				959

Closings					
Country	# Stores	Chain	Store	City	Sqm
Chile		Hush Puppies	San Fernando	San Fernando	66
	1				66
Uruguay		Merrell	Nuevocentro	Montevideo	80
		Rockford	Punta Carretas	Montevideo	69
		Merrell	Montevideo Shopping	Montevideo	60
	3				208
Perú		Element	Jockey Plaza	Lima	52
	1				52
Total	5				326

Openings/closings, net		
Country	# Stores	Sqm
Chile	5	546
Uruguay	1	27
Perú	0	3
Colombia	1	56
Total*	7	633

*Note: In 1Q'19, in Uruguay, we relocated two stores within the same shopping mall, which resulted in a net reduction in sqm. Considering these store relocations, the net change in sqm was 528.

New Corporate Headquarters in Chile

This quarter Forus inaugurated its new corporate headquarters, located in Santiago, on Avenida Las Condes 11,281, in the Las Condes neighborhood. The new offices are distributed on six floors (plus part of the entrance level), where there are open-plan and private offices, an auditorium, an e-commerce digital photo studio, as well as showrooms to display products and hold meetings. The building's clear glass façade takes advantage of natural light, which allows it to optimize its energy consumption. The building is LEED Gold certified as it adheres to sustainable practices, such as energy efficiency, in line with our commitment to the environment.

Real Estate Sale in Chile

Forus sold the property located at Avenida Departamental 01053, in the La Florida municipality, where we used to have our corporate headquarters. The real estate divestiture generated a net non-operating gain of Ch\$ 11,360 million (US\$ 17 million) before taxes.

Acquisition of the Aldo brand in Uruguay

In January 2019 Forus acquired the rights to the Aldo brand in Uruguay, a transaction that also includes the acquisition of current and future inventories and two stores located in Montevideo, in the main commercial centers of the country: Punta Carretas and Montevideo Shopping.

Implementation of IFRS 16

As of January 1, 2019, we began to apply IFRS 16, which requires the recognition of assets and liabilities for all lease contracts with a duration of more than 12 months. The initial application of IFRS 16, as of January 1, 2019, resulted in the recognition of right-of-use assets and liabilities for Ch\$ 53,333 million (historical results were not restated). As of January 1, 2019, the leased assets will be amortized over the term of the contract. For further details, see the Notes to the Consolidated Financial Statements of March 31, 2019.

Highlights of the Period

HIGHLIGHTS AFTER THE PERIOD

Annual General Meeting of Shareholders

On April 17, 2019, the Annual General Meeting of Shareholders was held. The following issues, among others, were agreed:

- It was agreed that a final dividend of \$ 25.54082 per share, in addition to the interim dividend already paid, charged to the profits of the 2018 fiscal year, would be paid. The sum of the interim and final dividends is equivalent to 40% the year's total net income. It was agreed that the payment of this final dividend would be made on May 10, 2019 to all shareholders registered in the respective registry at midnight of the fifth business day prior to the date set for this payment.
- The Board of Directors was elected for the period 2019-2022. Macarena Swett and Catalina Cabello (Independent) replaced John Stevenson and Matko Koljatic (Independent).

Forus - Board of Directors

Alfonso Swett S. (Chairman)
Alfonso Swett O.
Heriberto Urzúa S.
Ricardo Swett S.
Macarena Swett O.
Francisco Gutiérrez P.
Catalina Cabello R. (Independent)

- *EY Servicios Profesionales de Auditoría y Asesorías SpA* was appointed as External Auditor for the 2019 fiscal year.
- *Fitch Chile Clasificadora de Riesgo Ltda.* and *International Credit Rating Compañía Clasificadora de Riesgo Ltda.* were appointed as the Company's Credit Rating Agencies.

Dividend Payments

As of May 10, 2019, a final dividend of \$ 25.54082 per share was paid, charged to the profits of the 2018 fiscal year (see above: Annual General Meeting of Shareholders).

Consolidated Income Statement

	1Q'19		1Q'18		Var. %
	Th Ch\$	% Revenues	Th Ch\$	% Revenues	
Revenues	56,222,630		60,826,170		-7.6%
Cost of Sales	(26,698,307)	-47.5%	(28,093,405)	-46.2%	-5.0%
Gross Profit	29,524,323	52.5%	32,732,765	53.8%	-9.8%
Logistic costs	(822,982)	-1.5%	(813,288)	-1.3%	1.2%
Administrative Expenses	(23,732,938)	-42.2%	(24,125,649)	-39.7%	-1.6%
Selling, General and Administrative Expenses	(24,555,920)	-43.7%	(24,938,937)	-41.0%	-1.5%
Operating Income	4,968,403	8.8%	7,793,828	12.8%	-36.3%
Other incomes of total operation	14,988,195		61,952		24093.2%
Other expenses of total operation	(4,023,076)		(75,703)		5214.3%
Financial Income	1,608,890		844,767		90.5%
Financial Expenses	(671,933)		(99,576)		574.8%
Participation in gains (losses) of joint venture businesses accounted by using the proportional value of participation	(83,121)		(152,914)		-45.6%
Exchange Differentials	(537,816)		(309,547)		73.7%
Result of Indexation units	(4,100)		(9,819)		-58.2%
Other gains and losses	(17,808)		41,162		-143.3%
Non-Operating Income	11,259,231	20.0%	300,322	0.5%	3649.1%
Profit before income tax	16,227,634	28.9%	8,094,150	13.3%	100.5%
Income Taxes	(4,709,195)		(2,329,454)		102.2%
Profit (Loss)	11,518,439	20.5%	5,764,696	9.5%	99.8%
Profit (loss) attributable to equity holders of parent	11,584,398		5,863,396		97.6%
Profit (loss) attributable to minority interest	(65,959)		(98,700)		-33.2%
Profit (loss)	11,518,439	20.5%	5,764,696	9.5%	99.8%
EBITDA	9,726,345	17.3%	9,185,571	15.1%	5.9%

Operating Results

- **Consolidated Revenues of Ch\$ 56,223 million were down 7.6% versus 1Q'18.**

In Chile, revenues of Ch\$ 46,736 million declined by 8.2% and represented 83.1% of consolidated revenues in 1Q'19. Regarding the retail business in Chile, sales continued to be affected by sluggish consumer demand and, as previously discussed, the decline in purchases from foreign visitors, compared to the previous year. This quarter SSS decreased by 11.7% while square meters increased by 3.0% compared to March 31, 2018. The wholesale business, which presented a 6.9% decline in sales, was affected by the same pressures as the retail division.

Regarding the digital business in Chile, sales grew 114% in 1Q'19.

The following is a summary of revenues per country:

- In **Peru**, sales decreased 1.4% compared to 1Q'18 (-8.3% in local currency), pressured by -3.1% in SSS, which was partially compensated by a favorable exchange rate. The contraction in SSS is explained, in part, by the high comparison base and by greater promotional activity in the country during the quarter. Although one store (net) was added with regards to the same period last year, square meters remained stable.
- In **Uruguay**, sales fell 7.2% with respect to 1Q'18 (-3.3% in local currency), affected by a decrease in revenue from the wholesale business, given that retail sales grew 1.4%, explained by the 5.3% square meter increase, compared to March 2018, while SSS decreased by 0.8%, mainly due to the challenging economic environment in Brazil and Argentina, which has affected consumer demand in the country.
- In Colombia, sales decreased 8.6% (-9.4% in local currency), due to a decline in sales per square meter. SSS declined by 1.5% and square meters decreased by 1.4%.

Analysis of Consolidated Results

- **Gross Profit of Ch\$ 29,524 million decreased 9.8% in 1Q'19. Gross margin decreased 130 basis points, reaching 52.5% compared to 53.8% in 1Q'18.**

The Consolidated Gross Profit declined as a consequence of the 10.8% and 4.6% decline in Chile's and the subsidiaries' gross profit, respectively. Chile's Gross Margin contracted by 150 basis points, while the subsidiaries' Gross Margin remained stable, given that Uruguay's margin expansion compensated Peru's and Colombia's margin erosion.

Chile's gross margin was affected, mainly, by the wholesale business, which reported a 325 basis points decline, although the retail business was also under pressure, with a decrease of 77 basis points. The gross margin was impacted by the depreciation of the Chilean peso against the dollar, which increased our costs of imported products. To a lesser degree, the gross margin was also pressured by promotional activity, which continues to affect the retail industry. Despite that, the Company managed to reduce its inventory levels in Chile by 3.6% compared to 1Q'18.

Regarding the gross margin of the international subsidiaries, the breakdown by country is as follows:

- **Peru:** The gross profit decreased by 3.0% and gross margin declined by 86 basis points, reaching 52.1% in 1Q'19 compared to 53.0% in 1Q'18, with a greater pressure on the wholesale gross margin than the retail gross margin.
- **Uruguay:** The gross margin expanded by 114 basis points, reaching 54.9% in 1Q'19, compared to 53.7% in 1Q'18, in line with the Company's strategy to protect brand equity. It is noteworthy that Uruguay, once again, had the highest gross margin of all four countries. However, gross profit decreases by 5.3% in 1Q'19, given the 7.2% decline in sales.
- **Colombia:** The gross margin contracted by 85 basis points, reaching 44.1%, compared to 45.0% in 1Q'18. Gross profit fell 10.3% during 1Q'19.

Analysis of Consolidated Results

- **Operating Income of Ch\$ 4,968 million decreased 36.3%. The operating margin, which was 8.8% of revenues, lost 398 basis points this quarter.**

This decrease in Operating Income is mainly explained by the operation in Chile, although the subsidiaries, as a whole, also contributed to the contraction of the consolidated operating margin.

Chile's Operating Income decreased by 32.5%, mainly due to the 10.8% decline in gross profit and the impact of operational deleveraging, given that the decrease of 2.1% in SG&A was not enough to offset the lower dilution of fixed expenses which resulted from the 8.2% decline in Revenues. It is noteworthy that the Company managed to slightly reduce SG&A, the first time to achieve this in at least eight years.

Operating Income by country:

- **Peru:** Operating income decreased 14.4% in 1Q'19, as a result of the 3.0% decline in gross profit, given that SG&A expenses were reduced by 2.4%, and in turn, SG&A as a percentage of revenue decreased by 51 basis points, thanks to expense control strategies. As a result, the operating margin fell 35 basis points.
- **Uruguay:** The operating result fell into negative territory this quarter, explained by the 7.2% drop in sales, given that the gross margin improvement was not enough to compensate the impact that the decline in revenue had on the dilution of fixed expenses.
- **Colombia:** The operating result deteriorated by 59.7% compared to 1Q'18. This decline is mainly explained by the 10.3% decrease in gross profit and the 8.4% increase in SG&A expenses.

Non-Operating Income

- **Non-Operating Income reached Ch\$ 11,259 million this quarter, compared to Ch\$ 300 million in 1Q'18, an increase of 3,649%.**

This growth in Non-Operating Income is explained by the Other Income account, which reached Ch\$ 14,977 million, mainly explained by the sale of two real estate properties, the most significant one being the former Forus headquarters located on Departamental street, in Santiago, Chile. Another factor that contributed, though to a lesser extent, was the 90.5% growth in Financial Revenues (net financial income

Analysis of Consolidated Results

increased 25.7%), explained by the 25.4% increase in Other Financial Assets, Current compared to the March 31, 2018.

Net income and Ebitda

- **Net income reached Ch\$ 11,518 million, 99.8% more than the same quarter last year, with a Net income margin of 20.5%.**

Net income growth was driven by the increase in Non-Operating Income (see above). The effective tax rate this quarter was 29.0%, which did not vary significantly with regards to the 28.8% rate reported in the same period last year.

- **Ebitda of Ch\$ 9,726 million increased 5.9% compared to 1Q'18 and the 17.3% Ebitda margin increased 220 basis points. Excluding the effect of IFRS 16, Ebitda would have been Ch\$ 5,909 million, which would have represented a 35.7% decline with respect to 1Q'18 and a 459 basis points contraction in Ebitda margin.**

The increase in Ebitda is explained by the application of IFRS 16, since, excluding this accounting effect, Ebitda decreased in line with Operating Income. The accounting standard was applied both in Chile and our subsidiaries as of January 1, 2019.

Consolidated Balance Sheet

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

	Mar-2019	Dec-2018	Variation	
	M Ch\$	M Ch\$	M Ch\$	%
Current Assets	204,240	196,117	8,123	4.1%
Non-Current Assets	105,128	55,854	49,275	88.2%
Total Assets	309,368	251,970	57,398	22.8%

Current Assets increased 4.1% with respect to the period ended December 2018. The accounts that showed significant variations are Trade and Other Accounts Receivable, with an increase of Ch\$ 5,610 million, and Inventories, which decreased by Ch\$ 4,263 million. The variation in both accounts is attributable to the seasonality of the wholesale business. It should be noted that, if we compare the consolidated inventories to the period ending in March 2018, inventories decreased 7.3%, partially explained by a rationalization of purchases to accommodate the economic environment. Other Current Financial Assets also presented a significant variation, with an increase of Ch\$ 9,308 million, explained by the increase in investments of temporary cash surpluses in mutual funds.

Non-Current Assets increased 88.2%, explained by Property, Plant and Equipment, which increased by Ch\$ 49,267 million, mainly as a result of the application of IFRS 16, which resulted in right-of-use assets.

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

	Mar-2019	Dec-2018	Variation	
	M Ch\$	M Ch\$	M Ch\$	%
Current Liabilities	37,703	29,567	8,136	27.5%
Non-Current Liabilities	40,374	1,631	38,743	2376.1%
Shareholder's Equity	231,292	220,773	10,519	4.8%
Total Liabilities & Shareholders' Equity	309,368	251,970	57,398	22.8%

Current Liabilities increased 27.5%, mainly explained by the Ch\$ 10,128 million increase in Other Current Financial Liabilities, explained by the application of IFRS 16 (which resulted in right-of-use liabilities). This was partially offset by a Ch\$ 3,532 million decrease in Current Trade and Other Current Accounts Payable, primarily explained by payments to suppliers, in line with the seasonality of the business.

Non-Current Liabilities, meanwhile, rose to Ch\$ 40,374 million, compared to Ch\$ 1,631 million at the end of December 2018, explained by the Ch\$ 38,748 million increase in Other Non-Current Financial Liabilities, as a result of the application of IFRS 16 (which resulted in right-of-use liabilities).

- **Shareholders' Equity**

Shareholders' Equity on March 31st, 2019 y December 31st, 2018 was the following:

	Mar-2019		Dec-2018		Variation	
	M	Ch\$	M	Ch\$	M	Ch\$
Paid-in capital	24,243		24,243		0	0.0%
Other reserves	14,988		15,921		-932	-5.9%
Retained earnings	191,260		179,742		11,518	6.4%
Non-controlling interest	800		867		-67	-7.7%
Total Shareholders' Equity	231,292		220,773		10,519	4.8%

Shareholder's Equity increased by Ch\$ 10,519 million, due to net gains in the period.

The change in Other Reserves is explained by the following FX consolidation differences at the subsidiaries:

	M Ch\$
Perú Forus S.A.	(117)
Uruforus S.A.	(814)
Forus Colombia S.A.S.	(1)
Lifestyle Brands of Colombia	(1)
Total conversion differences	(932)

Financial Ratios

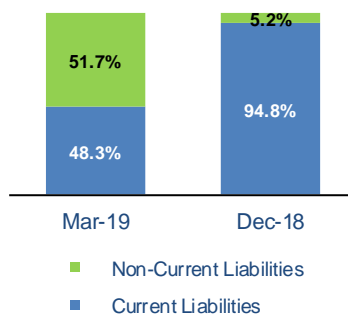
- Liquidity Ratios**

	Units	Mar-19	Dec-18	Var.
Current liquidity	x	5.42	6.63	-1.22
Acid ratio	x	3.47	4.01	-0.54

The current liquidity index shows a slight negative variation with respect to the end of last year and, in turn, the acid ratio goes from 4.01x in December 2018 to 3.47x at the end of this quarter. These variations are mainly explained by the increase in Current Liabilities due to the application of IFRS 16. In the case of acid ratio, the effect is mitigated by the 5.5% decrease in inventory in March 2019, compared to December 2018.

- Debt Ratios**

	Units	Mar-19	Dec-18
Liabilities			
Current Liabilities	%	48.3%	94.8%
Non-Current Liabilities	%	51.7%	5.2%



	Units	Mar-19	Dec-18	Var.
Leverage	x	0.34	0.14	0.20
Interest Coverage	x	17.14	63.30	-46.16

- **Profitability Ratios**

	Units	Mar-19	Mar-18	Var.
ROA	%	3.7%	2.4%	1.3%
ROS	%	20.5%	9.5%	11.0%
ROE	%	5.0%	2.7%	2.2%
EPS	\$	44.6	22.3	22.3

Regarding profitability, the Company doubled earnings per share versus the same period last year, reaching Ch\$ 44.6 per share.

Consolidated Cash Flow

	Mar-2019	Mar-2018	Variation
	M Ch\$	M Ch\$	M Ch\$
Cash flows from Operating Activities	(3,840)	(1,627)	(2,213)
Cash flows from (used in) Investment Activities	2,324	57	2,267
Cash flows from (used in) Financing Activities	734	360	374

Cash flows from Operating Activities were Ch\$ 2,213 million lower than the same period last year, mainly due to a decline in collections from sales of goods and services.

Cash flows from Investment Activities increased by Ch\$ 2,267 million, mainly due to proceeds from divestitures of property, plant and equipment, which amounted to Ch\$ 14,407 million this quarter. This was partially offset by Ch\$ 9,348 million in other cash outflows, mainly explained by investments in financial assets, which increased Ch\$ 9,308 million in the same period.

Finally, **Cash flows from Financing Activities** increased by Ch\$ 374 million, mainly due to an increase in the use of bank guarantees or letters of credit for merchandise payments.

Market Risk Analysis

Regional Risk: The year began with an even more challenging economic environment in Chile for the retail industry. GDP grew 1.6% during the first quarter of this year, a significant slowdown compared to previous months, explained by a contraction in mining and sluggish domestic demand. Unemployment also deteriorated slightly with respect to the fourth quarter of last year, reaching 6.9% in March. Finally, consumer confidence, which was already in negative territory, worsened noticeably this quarter, with the Index of Perception of the Economy (IPEC) registering a decline of four percentage points in March, the most pronounced decline of the last four years. The economic outlook in **Uruguay** also deteriorated this quarter, with a slowdown in growth, as a result of a contraction in private consumption and investment activity. Uruguay also experienced an increase in the unemployment rate and a deterioration in consumer confidence, which was already in negative territory. In **Peru**, growth weakened in the first quarter, with stable inflation levels. In turn, the unemployment rate in Lima increased almost two percentage points, reaching 8.2%, the highest for a first quarter in recent years. Finally, **Colombia's** economy remained stable, with controlled levels of inflation and a relatively better consumer confidence index than the same period last year, although still in negative territory in January and February. Unemployment in Colombia, however, increased during the first quarter, reaching 10.8% in March (compared to 9.4% in March 2018).

Foreign Exchange Risk: In Chile, the exchange rate was affected by volatility in the price of copper, due to recent trade tensions between the U.S. and China. As a result, during the first quarter, the average CLP/USD depreciated versus 1Q'18, which had an unfavorable impact on our costs. With regards to our subsidiaries, local currencies also depreciated against the dollar this quarter compared to the same period last year, although Peru's currency deteriorated less than Colombia's and Uruguay's currencies. On the other hand, Peru's and Colombia's currencies appreciated against the Chilean peso this quarter, with respect to the same period last year, which had a favorable effect in the consolidation of results from those subsidiaries.

Financial Risk: The Company continues to maintain a conservative cash position, with sufficient funds for its 2019 investment plans, while maintaining very low levels of financial debt.

Data by Country

Revenues (Ch\$ million)

	1Q '19	1Q '18	Var %	Var % Local Currency
Chile	46,736	50,928	-8.2%	-8.2%
Colombia	937	1,024	-8.6%	-9.4%
Peru	4,615	4,680	-1.4%	-8.3%
Uruguay	3,935	4,242	-7.2%	-3.3%
Total Filiales	9,487	9,947	-4.6%	

Same Store Sales

Data in nominal values (in local currency)

	2018				2019				2018	2019
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	3M	
Chile	-2.9%	-5.0%	-5.3%	0.2%	-11.7%				-2.9%	-11.7%
Colombia	-6.9%	11.2%	6.3%	6.4%	-1.5%				-6.9%	-1.5%
Peru	8.0%	7.5%	13.8%	11.2%	-3.1%				8.0%	-3.1%
Uruguay	8.6%	-7.6%	3.3%	-9.4%	-0.8%				8.6%	-0.8%

Number of stores and selling area in square meters

	Mar. 2019		Mar. 2018	
	# Stores	Sqm	# Stores	Sqm
Chile	346	39,714	335	38,572
Colombia	52	3,440	52	3,488
Perú	65	5,494	64	5,477
Uruguay	62	4,906	56	4,658
Total	525	53,554	507	52,195

Data by Country

CHILE

- Retail**

(Million Ch\$)

P&L	1Q '19	% Revenues	1Q '18	% Revenues	Var. %
Revenues	33,165		36,355		-8.8%
Cost of Sales	(15,205)		(16,388)		-7.2%
Gross Profit	17,960	54.2%	19,967	54.9%	-10.1%
SG&A	(16,767)	-50.6%	(17,015)	-46.8%	-1.5%
Operating Income	1,193	3.6%	2,951	8.1%	-59.6%

Same Store Sales Growth

Data in nominal values (in local currency)

	2018				2019				3M	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	2018	2019
SSS	-2.9%	-5.0%	-5.3%	0.2%	-11.7%				-2.9%	-11.7%

Store Openings / Closings

	Date	Chain	Stores	Sqm
Opening	feb-19	Caterpillar	Mall Independencia	81
Opening	feb-19	Columbia	Plaza Sur	68
Opening	feb-19	Caterpillar	Plaza Sur	54
Opening	feb-19	Funsport	Coquimbo	102
Opening	mar-19	Columbia	Valdivia	201
Opening	mar-19	7Veinte	Plaza Maule	106
Closing	mar-19	Hush Puppies	San Fernando	66
Total				546

Change in square meters

	Mar. 2019	Mar. 2018	Var. #	Var. %
N° Stores	346	335	11	3.3%
Sales area (m ²)	39,714	38,572	1,142	3.0%

Data by Country

- Wholesale**

(Million Ch\$)

P&L	1Q '19	% Revenues	1Q '18	% Revenues	Var. %
Revenues	13,571		14,573		-6.9%
Cost of Sales	(6,984)		(7,026)		-0.6%
Gross Profit	6,587	48.5%	7,547	51.8%	-12.7%
SG&A	(2,491)	-18.4%	(2,662)	-18.3%	-6.4%
Operating Income	4,096	30.2%	4,885	33.5%	-16.2%

- Total Chile (Retail + Wholesale)**

(Million Ch\$)

P&L	1Q '19	% Revenues	1Q '18	% Revenues	Var. %
Revenues	46,736		50,928		-8.2%
Cost of Sales	(22,189)		(23,414)		-5.2%
Gross Profit	24,547	52.5%	27,514	54.0%	-10.8%
SG&A	(19,259)	-41.2%	(19,678)	-38.6%	-2.1%
Operating Income	5,289	11.3%	7,836	15.4%	-32.5%

COLOMBIA

(Million Ch\$)

P&L	1Q '19	% Revenues	1Q '18	% Revenues	Var. %
Revenues	937		1,024		-8.6%
Cost of Sales	(523)		(564)		-7.1%
Gross Profit	413	44.1%	461	45.0%	-10.3%
SG&A	(682)	-72.8%	(629)	-61.4%	8.4%
Operating Income	(268)	-28.7%	(168)	-16.4%	59.7%

Same Store Sales Growth

Data in nominal values (in local currency)

	2018				2019				3M	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	2018	2019
SSS	-6.9%	11.2%	6.3%	6.4%	-1.5%				-6.9%	-1.5%

Data by Country

Store Openings / Closings

	Date	Chain	Store	Sqm
Opening	Mar-19	Hush Puppies	Envigado	56
Total				56

Change in square meters

	Mar. 2019	Mar. 2018	Var. #	Var. %
N° Stores	52	52	0	0.0%
Sales area (m ²)	3,440	3,488	-48	-1.4%

PERU

(Million Ch\$)

P&L	1Q '19	% Revenues	1Q '18	% Revenues	Var. %
Revenues	4,615		4,680		-1.4%
Cost of Sales	(2,210)		(2,201)		0.4%
Gross Profit	2,405	52.1%	2,479	53.0%	-3.0%
SG&A	(2,299)	-49.8%	(2,355)	-50.3%	-2.4%
Operating Income	106	2.3%	124	2.6%	-14.4%

Same Store Sales Growth

Data in nominal values (in local currency)

	2018				2019				3M	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	2018	2019
SSS	8.0%	7.5%	13.8%	11.2%	-3.1%				8.0%	-3.1%

Store Openings / Closings

	Date	Chain	Stores	Sqm
Closing	Jan-19	Element	Jockey Plaza	52
Opening	Mar-19	Patagonia	Jockey Plaza	55
Total				3

Data by Country

Change in square meters

	Mar. 2019	Mar. 2018	Var. #	Var. %
N° Stores	65	64	1	1.6%
Sales area (m ²)	5,494	5,477	17	0.3%

URUGUAY

(Million Ch\$)

P&L	1Q '19	% Revenues	1Q '18	% Revenues	Var. %
Revenues	3,935		4,242		-7.2%
Cost of Sales	(1,776)		(1,964)		-9.5%
Gross Profit	2,159	54.9%	2,279	53.7%	-5.3%
SG&A	(2,316)	-58.9%	(2,277)	-53.7%	1.7%
Operating Income	(158)	-4.0%	2	0.0%	-8887.8%

Same Store Sales Growth

Data in nominal values (in local currency)

	2018				2019				3M	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	2018	2019
SSS	8.6%	-7.6%	3.3%	-9.4%	-0.8%				8.6%	-0.8%

Store Openings / Closings

	Date	Chain	Store	Sqm
Closing	Jan-19	Merrell	Nuevocentro	80
Opening	Jan-19	Aldo	Punta Carretas	68
Opening	Jan-19	Aldo	Montevideo Shoppir	99
Closing	Jan-19	Rockford	Punta Carretas	69
Closing	Feb-19	Merrell	Montevideo Shoppir	60
Opening	Mar-19	Hush Puppies Ki	Punta Carretas	28
Opening	Mar-19	Merrell	Punta Carretas	41
Total				27

Change in square meters

	Mar. 2019	Mar. 2018	Var. #	Var. %
N° Stores	62	56	6	10.7%
Sales area (m ²)	4,906	4,658	248	5.3%

Consolidated Balance Sheet

FORUS S.A. & SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

expressed in Thousands of Chilean Pesos, as of

	March 2019 Th Ch\$	December 2018 Th Ch\$
ASSETS		
Current Assets		
Cash and cash equivalents	4,917,711	5,258,872
Other financial assets, current	92,813,116	83,505,075
Other non-financial assets, current	3,970,398	3,469,235
Trade and other account receivables	29,197,458	23,587,907
Accounts receivables from related companies	536	366
Inventories	73,340,747	77,603,656
Tax Assets, current	-	2,691,669
Total Current Assets	204,239,966	196,116,780
Non-Current Assets		
Other financial assets, Non-current	24,984	24,992
Other non-financial assets, Non-current	2,802,308	2,588,933
Fees receivables, Non-current	208,154	206,292
Investments in Associated	1,861,937	1,946,292
Net intangibles assets	1,725,463	1,790,696
Goodwill	5,426,310	5,426,310
Property, plant and equipments	90,597,726	41,330,639
Deferred tax Assets	2,481,606	2,539,519
Total Non-Current Assets	105,128,488	55,853,673
TOTAL ASSETS	309,368,454	251,970,453
LIABILITIES		
Current Liabilities		
Other financial liabilities, current	12,133,045	2,004,614
Current trade and other current accounts payable	10,067,086	13,598,897
Current accounts payable to related companies	1,074,379	967,253
Other current Provisions	6,711,790	5,831,046
Current Provisions for employees benefits	5,225,950	5,885,542
Other non-financial liabilities, current	1,357,260	1,279,746
Total Current Liabilities	37,703,063	29,567,098
Non-Current Liabilities		
Other non-current financial liabilities	40,372,506	1,624,700
Other non-financial non-current liabilities	1,260	5,808
Total Non-Current Liabilities	40,373,766	1,630,508
TOTAL LIABILITIES	78,076,829	31,197,606
SHAREHOLDER'S EQUITY		
Paid-in capital	24,242,787	24,242,787
Retained earnings	191,260,180	179,742,259
Issue Premium	17,386,164	17,386,164
Other reserves	(2,397,804)	(1,465,344)
Equity attributable to equity holders of the parent	230,491,327	219,905,866
Non-controlling interest	800,298	866,981
Total Net Equity	231,291,625	220,772,847
TOTAL NET EQUITY AND LIABILITIES	309,368,454	251,970,453

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

	March 2019		December 2018		1Q'19		1Q'18	
	Th	Ch\$	Th	Ch\$	Th	Ch\$	Th	Ch\$
Revenues	56,222,630		60,826,170		56,222,630		60,826,170	
Cost of Sales	(26,698,307)		(28,093,405)		(26,698,307)		(28,093,405)	
Gross Margin	29,524,323		32,732,765		29,524,323		32,732,765	
Other incomes of total operation	14,988,195		61,952		14,988,195		61,952	
Logistic costs	(822,982)		(813,288)		(822,982)		(813,288)	
Administrative Expenses	(23,732,938)		(24,125,649)		(23,732,938)		(24,125,649)	
Other expenses of total operation	(4,023,076)		(75,703)		(4,023,076)		(75,703)	
Other gains or (losses)	(17,808)		41,162		(17,808)		41,162	
Financial Income	1,608,890		844,767		1,608,890		844,767	
Financial Expenses	(671,933)		(99,576)		(671,933)		(99,576)	
Participation in gains (losses) of joint venture businesses accounted by using the proportional value of participation	(83,121)		(152,914)		(83,121)		(152,914)	
Exchange Differentials	(537,816)		(309,547)		(537,816)		(309,547)	
Result of Indexation units	(4,100)		(9,819)		(4,100)		(9,819)	
Profit before income tax	16,227,634		8,094,150		16,227,634		8,094,150	
Income Taxes	(4,709,195)		(2,329,454)		(4,709,195)		(2,329,454)	
Profit (loss)	11,518,439		5,764,696		11,518,439		5,764,696	
Profit (loss) attributable to equity holders of parent	11,518,439		5,863,396		11,584,398		5,863,396	
Profit (loss) attributable to minority interest	(65,959)		(98,700)		(65,959)		(98,700)	
Profit (loss)	11,518,439		5,764,696		11,518,439		5,764,696	
Earnings per share	\$ 44.6		\$ 22.3		\$ 44.6		\$ 22.3	

Individual Cash Flows Statement

FORUS S.A. INDIVIDUAL CASH FLOWS STATEMENT

expressed in Thousands of Chilean Pesos, as of

	March 2019 Th Ch\$	December 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	48,542,334	63,044,634
Earnings from Premiums and benefits, annual payments and other benefits of subscribed policies	-	121,344
Other earnings from operating activities	970	-
Types of Payment		
Payments to suppliers for the supply of goods and services	(38,682,308)	(48,437,863)
Payments to and on behalf of employees	(10,256,450)	(9,654,925)
Payments for premiums and benefits, annuities and other obligations derived from the policies subscribed	(23,383)	(38,292)
Other payments for operating activities	(39,029)	(419,144)
Net cash flows originating from (used in) the operation	(457,866)	4,615,754
Income taxes paid (reimbursed), classified as operating activities	(1,323,574)	(2,730,246)
Other cash inflows (outflows), classified as operating activities	(2,058,171)	(3,512,154)
Cash flows from (used in) operating activities	(3,839,611)	(1,626,646)
Cash Flows Originating from (used in) investment activities		
Purchases of property, plant and equipment, classified as investment activities	(3,676,858)	(1,124,886)
Cash flows from sales of intangible assets, classified as investment activities	235,038	-
Purchases of intangible assets, classified as investment activities	(10,834)	(59,834)
Purchases of other long-term assets classified as investment activities	(518,511)	-
Dividends received, classified as investment activities	-	-
Interest received, classified as investment activities	86,577	92,166
Other cash inflows (outflows), classified as investment activities	(8,198,283)	1,149,998
Cash flows from (used in) investing activities	2,324,271	57,444
Cash Flows Originating from (used in) financing activities		
Amounts from short-term loans	14,107,133	6,768,336
Loans Reimbursements, classified as financing activities	(9,176,557)	(6,389,477)
Dividends paid, classified as financing activities	-	-
Interest paid, classified as financing activities	(20,866)	(18,480)
Other cash inflows (outflows), classified as financing activities	-	-
Cash flows from (used in) financing activities	734,188	360,379
Increase (decrease) in cash and cash equivalents, before the effect of the changes in the exchange rate	(781,152)	(1,208,823)
Effects of the Exchange Rate Variation on Cash and Cash Equivalents		
Effects of the Exchange Rate Variation on Cash and Cash Equivalents	439,991	7,629
Increase (decrease) of the Cash and Cash Equivalents	(341,161)	(1,201,194)
Cash and Cash Equivalents (Initial Balance)	5,258,872	4,365,036
Cash and Cash Equivalents (Final Balance)	4,917,711	3,163,842

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