



OFFER TO PURCHASE

Falabella S.A.

(a sociedad anónima abierta organized under the laws of Chile)

Offers to Purchase for Cash

Up to \$150,000,000 in Aggregate Principal Amount of Its Outstanding

4.375% Senior Notes due 2025

Description of Notes	CUSIP/ ISIN Nos.	Outstanding Principal Amount	Maximum Acceptance Amount(1)	Maximum Aggregate Tender Amount(2)	Tender Offer Consideration (3)(4)	Early Tender Payment (3)	Total Consideration (3)(4)
4.375% Senior Notes due 2025	CUSIP: 78386FAC0 (144A); P82290 AG5 (Reg. S) / ISIN: US78386FAC05 (144A); USP82290AG51 (Reg. S)	U.S.\$400,000,000	U.S.\$150,000,000	U.S.\$550,000,000	U.S.\$1,055.00	U.S.\$30.00	U.S.\$1,085.00

- (1) Falabella's obligation to accept Notes validly tendered and not validly withdrawn is subject to the proration provisions described herein. Falabella reserves the right to increase the Maximum Acceptance Amount in its sole discretion.
- (2) The "Maximum Aggregate Tender Amount" means the aggregate principal amount of debt securities that Falabella will purchase in the Tender Offer and the Other Tender Offer (as defined elsewhere herein), unless increased by Falabella in its sole discretion.
- (3) Per U.S.\$1,000 principal amount of Notes.
- (4) Excludes accrued interest, which will be paid in addition to the Tender Offer Consideration or the Total Consideration, if and as applicable.

The Tender Offer (as defined below) will expire at 11:59 p.m. New York City time, on November 1, 2021, unless extended or earlier terminated (such date and time, as it may be extended, the "Expiration Date"). The early tender deadline for the Tender Offer will be 5:00 p.m., New York City time, on October 18, 2021 (such date and time, including as extended or earlier terminated, the "Early Tender Date"). Holders of the Notes must validly tender their Notes on or before the Early Tender Date in order to be eligible to receive the Early Tender Payment (as defined below) in addition to the Tender Offer Consideration (as defined below). Notes tendered may be withdrawn prior to 5:00 p.m., New York City time, on October 18, 2021 (such date and time, the "Withdrawal Deadline"), but not thereafter, except as required by applicable law.

Falabella S.A., a publicly traded stock company (sociedad anónima abierta) organized and existing under the laws of Chile ("Falabella," the "Company," "we," "us" or "our"), hereby offers to purchase for cash (the "Tender Offer") up to U.S.\$150,000,000 in principal amount of the outstanding 4.375% Senior Notes due 2025 (the "Notes") issued by the Company pursuant to an indenture dated as of October 27, 2014 (as amended and supplemented on or prior to the date hereof, the "Indenture") between the Company and The Bank of New York Mellon, as Trustee (the "Trustee").

The Tender Offer is subject to various conditions described herein, including the Financing Condition (as defined elsewhere herein). See "Conditions of the Tender Offer."

The distribution of this document in certain jurisdictions may be restricted by law. See "Miscellaneous."

Neither this Offer to Purchase nor any of the other documents relating to the Tender Offer have been filed with or reviewed by the Securities and Exchange Commission (the "SEC") or any federal or state securities commission or regulatory authority of any country, nor has any such commission or authority passed upon the accuracy or adequacy of this Offer to Purchase or any of the other documents relating to the Tender Offer. Any representation to the contrary is unlawful and may be a criminal offense.

The Dealer Managers for the Tender Offer are:

Citigroup Global Markets Inc.

Goldman Sachs & Co. LLC

J.P. Morgan Securities LLC

The date of this Offer to Purchase is October 4, 2021.

(cover page continued)

The total consideration for the Notes (the “Total Consideration”) is U.S.\$1,085.00 for each U.S.\$1,000 principal amount of Notes, which includes an early tender payment (the “Early Tender Payment”) of U.S.\$30.00 per U.S.\$1,000 principal amount of the Notes. Holders validly tendering and not withdrawing Notes on or before the Early Tender Date will be eligible to receive the Total Consideration (including the Early Tender Payment) on a date expected to be the third business day following the Early Tender Date (the “Early Settlement Date”), but which may change without notice.

Holders validly tendering their Notes after the Early Tender Date and prior to or on the Expiration Date will be eligible to receive (the “Tender Offer Consideration”) U.S.\$1,055.00 per U.S.\$1,000 principal amount of the Notes, equal to the Total Consideration less the Early Tender Payment, on a date expected to be the third business day following the Expiration Date (the “Final Settlement Date”), but which may change without notice.

The offer to purchase the Notes shall not exceed U.S.\$150,000,000 in outstanding principal amount of the Notes (the “Maximum Acceptance Amount”), and Notes that are validly tendered and accepted in the Tender Offer are subject to possible proration on the Early Settlement Date or the Final Settlement Date. If the aggregate principal amount of Notes validly tendered and not validly withdrawn on or prior to the Early Tender Date exceeds the Maximum Acceptance Amount, Holders who validly tender Notes after the Early Tender Date will not have any such Notes accepted for payment.

The maximum aggregate principal amount of notes that Falabella will purchase in the Tender Offer and its concurrent offer to purchase for cash any and all of its 3.750% senior notes due 2023 (the “Other Tender Offer”), of which there is an aggregate outstanding principal amount of U.S.\$500,000,000, will not exceed U.S.\$550,000,000 (the “Maximum Aggregate Tender Amount”), unless the Maximum Aggregate Tender Amount is waived or modified in Falabella’s sole discretion. If the aggregate principal amount of Notes validly tendered and not validly withdrawn on or prior to the Early Tender Date, together with the 3.750% senior notes due 2023 validly tendered and not validly withdrawn in the Other Tender Offer, exceeds the Maximum Aggregate Tender Amount, Holders who validly tender Notes after the Early Tender Date will not have any such Notes accepted for payment.

If, on the Early Settlement Date or Final Settlement Date, as applicable, only a portion of outstanding Notes validly tendered (and not validly withdrawn at or prior to the Withdrawal Deadline) may be accepted for purchase, the aggregate principal amount of Notes accepted for purchase will be prorated based upon the aggregate principal amount of Notes that have been validly tendered and not yet accepted for purchase in the Tender Offer, such that neither the Maximum Acceptance Amount nor the Maximum Aggregate Tender Amount will be exceeded.

The Total Consideration or the Tender Offer Consideration, as applicable, for the Notes will be paid together with accrued and unpaid interest (“Accrued Interest”) from and including the last interest payment date for the Notes up to, but not including, (i) in the case of any Notes tendered on or before the Early Tender Date, the Early Settlement Date and (ii) in the case of any remaining Notes tendered after the Early Tender Date, the Final Settlement Date. Additionally, we will pay additional amounts such that the Total Consideration or the Tender Offer Consideration, as applicable, and Accrued Interest received by Holders after withholding tax withheld by or within Chile or any other jurisdiction through which we pay such Total Consideration or the Tender Offer Consideration, as applicable, and Accrued Interest will be equal to the amount that would have been due had there been no withholding tax, to the extent provided in the Indenture.

We have retained Citigroup Global Markets Inc., Goldman Sachs & Co. LLC and J.P. Morgan Securities LLC to act as dealer managers (the “Dealer Managers”) in connection with the Tender Offer. D.F. King & Co., Inc. has been appointed as tender agent (the “Tender Agent”) and as information agent (the “Information Agent”) in connection with the Tender Offer.

None of Falabella, the Tender Agent, the Information Agent, the Dealer Managers, the Trustee or any affiliate of any of them makes any recommendation as to whether or not holders of Notes (each a “Holder” and, collectively, “Holders”) should tender Notes pursuant to the Tender Offer. Each Holder must decide whether to tender Notes and, if tendering, the amount of Notes to tender. Holders are urged to review carefully all information contained or incorporated by reference in the Offer Documents.

IMPORTANT DATES AND TIMES

Date	Calendar Date	Event
Launch Date	October 4, 2021.	Commencement of the Tender Offer.
Early Tender Date	5:00 p.m., New York City time, on October 18, 2021, unless extended or terminated by us in our sole discretion.	The deadline for Holders to validly submit their tenders in order to be eligible to receive the Early Tender Payment.
Withdrawal Deadline.....	5:00 p.m., New York City time, on October 18, 2021, unless extended or terminated by us in our sole discretion.	The deadline for Holders to withdraw their validly tendered Notes.
Early Settlement Date	October 21, 2021, unless extended by us in our sole discretion.	Subject to the satisfaction of the conditions of the Tender Offer, including but not limited to the Financing Condition, the day by which we deposit, or cause to be deposited, with the Tender Agent (or upon the Tender Agent's instructions, DTC) the monies necessary to pay for any Notes that were validly tendered and not validly withdrawn on or prior to the Early Tender Date.
Expiration Date	11:59 p.m., New York City time, on November 1, 2021, unless extended or terminated by us in our sole discretion.	The deadline for Holders to tender Notes pursuant to the Tender Offer and be eligible to receive the Total Consideration or the Tender Offer Consideration, as applicable.
Final Settlement Date.....	We expect that the Final Settlement Date will be on November 4, 2021, unless extended by us in our sole discretion.	The day by which we deposit, or cause to be deposited, with the Tender Agent (or upon the Tender Agent's instructions, DTC) the monies necessary to pay for any Notes that were validly tendered and accepted for payment on or prior to the Expiration Date.

The above times and dates are subject to our right to extend, amend and/or terminate the Tender Offer (subject to applicable law and as provided in this Offer to Purchase).

IMPORTANT INFORMATION

General

All Notes are in book-entry form. Any Holder desiring to tender Notes pursuant to the Tender Offer should request its broker, dealer, commercial bank, trust company or other nominee to effect the transaction for such Holder, together with confirmation of the transfer of such Notes into the account of the Depository with The Depository Trust Company (“DTC”) pursuant to the procedures for book-entry transfer set forth herein. Beneficial owners whose Notes are registered in the name of a broker, dealer, commercial bank, trust company or other nominee must contact such broker, dealer, commercial bank, trust company or other nominee if they desire to tender Notes so registered. In order to effect the tender, any such broker, dealer, commercial bank, trust company or other nominee must follow the procedures set forth below under the caption “Procedures for Tendering Notes.”

There will be no Letter of Transmittal for the Tender Offer.

DTC has authorized participants that hold Notes on behalf of beneficial owners of Notes through DTC to tender their Notes as if they were Holders. To effect a tender, DTC participants should transmit their acceptance to DTC through the DTC Automated Tender Offer Program (“ATOP”), for which the transaction will be eligible, and follow the procedure for book-entry transfer set forth in “Procedures for Tendering Notes.” A beneficial owner of Notes that are held of record by a broker, dealer, commercial bank, trust company or other nominee must instruct such nominee to tender the Notes on the beneficial owner’s behalf. See “Procedures for Tendering Notes.”

Any Notes tendered may be validly withdrawn on or before the Withdrawal Deadline, but not thereafter, by following the procedures described herein. Tenders of Notes may not be withdrawn after the Withdrawal Deadline unless required by applicable law. If the Tender Offer is terminated without Notes being purchased, any Notes tendered pursuant to the Tender Offer will be returned promptly to the tendering Holders, and neither the Tender Offer Consideration nor the Total Consideration, as the case may be, will be paid or become payable.

Tendering Holders will not be obligated to pay brokerage fees or commissions to us, the Dealer Managers, the Tender Agent or the Information Agent. However, such Holders may be obligated to pay commissions or other payments to their own brokers, custodians or other agents.

Requests for additional copies of the Offer to Purchase and requests for assistance relating to the procedure for tendering Notes may be directed to the Information Agent at the address and telephone numbers on the back cover page of this Offer to Purchase. Requests for assistance relating to the terms and conditions of the Tender Offer may be directed to the Dealer Managers at the addresses and telephone numbers on the back cover page of this Offer to Purchase. Beneficial owners may also contact their broker, dealer, commercial bank, trust company or other nominee for assistance regarding the Tender Offer.

The Offer to Purchase contains important information which should be read carefully and in its entirety before any decision is made with respect to the Tender Offer.

The Offer to Purchase does not constitute an offer to purchase Notes in any jurisdiction in which, or to or from any person to or from whom, it is unlawful to make such offer under applicable securities or blue sky laws. The delivery of the Offer to Purchase shall not under any circumstances create any implication that the information contained herein and therein is correct as of any time subsequent to the date hereof or that there has been no change in the information set forth herein and therein or in the affairs of Falabella or any of its affiliates since the date hereof.

No dealer, salesperson or other person has been authorized to give any information or to make any representation not contained in this Offer to Purchase, and if given or made, such information or representation may not be relied upon as having been authorized by Falabella, the Tender Agent, the Information Agent or the Dealer Managers.

Neither this Offer to Purchase nor any of the other documents relating to the Tender Offer have been filed with or reviewed by the SEC or any federal or state securities commission or regulatory authority of any

country, nor has any such commission or authority passed upon the accuracy or adequacy of this Offer to Purchase or any of the other documents relating to the Tender Offer. Any representation to the contrary is unlawful and may be a criminal offense.

Other Tender Offer

Concurrently with the Tender Offer, we have offered to purchase for cash any and all of our outstanding 3.750% senior notes due 2023 (the “Other Tender Offer”), subject to the conditions described in the offer to purchase the 2023 notes, dated as of the date hereof. The aggregate principal amount of notes that Falabella will purchase in this Tender Offer and the Other Tender Offer shall not exceed the Maximum Aggregate Tender Amount.

New Notes Offering

Falabella expects, during the pendency of the Tender Offer, to offer and sell new U.S. dollar denominated notes (the “New Notes”) issued by Falabella (the “New Notes Offering”). The New Notes Offering will be exempt from the registration requirements of the U.S. Securities Act of 1933, as amended (the “Securities Act”), and therefore will only be offered and sold to “qualified institutional buyers” (QIBs) in accordance with Rule 144A under the Securities Act and outside the United States to non-U.S. persons in reliance on Regulation S under the Securities Act. The New Notes Offering will not be conditioned on the successful consummation of the Tender Offer.

Falabella expects that (i) the Total Consideration or the Tender Offer Consideration, as applicable, and Accrued Interest payable to purchase the Notes tendered and accepted for purchase in the Tender Offer, (ii) the cash consideration to be used to purchase outstanding 3.750% senior notes due 2023 tendered and accepted for purchase in the Other Tender Offer, and (iii) the fees and expenses incurred in connection with this Tender Offer and the Other Tender Offer, will be paid with the proceeds of the New Notes Offering. To the extent the net proceeds from the New Notes Offering are not sufficient and Falabella waives the Financing Condition, Falabella expects, but is not obligated, to use available cash on hand or borrowings under available lines of credit.

The Offer to Purchase does not constitute an offer to sell any securities or the solicitation of an offer to buy any securities of Falabella in the New Notes Offering or in any other transaction.

Unique Identifier Code

Holders who wish to tender their Notes for cash and also subscribe for the New Notes should quote a unique identifier code corresponding to the New Notes proposed to be subscribed (“Unique Identifier Code”) through ATOP. A Unique Identifier Code can be obtained by contacting any of the Dealer Managers and is only relevant (but is not required) if a tendering Holder wishes to subscribe for New Notes. A Unique Identifier Code is not required for a Holder to tender its Notes. The Unique Identifier Code is only being provided to facilitate identification of tendering Holders of Notes that may be interested in subscribing for New Notes and should not be considered consideration or an entitlement of any nature.

The receipt of a Unique Identifier Code in conjunction with any tender of Notes in the Tender Offer is not an allocation of the New Notes. In order to apply for the purchase of the New Notes such tendering Holders must make a separate application in respect of the New Notes for the purchase of such New Notes pursuant to the New Notes Offering. Falabella will review tender instructions received and may give priority in the allocation of the New Notes to those investors tendering with Unique Identifier Codes. However, allocations of New Notes will be determined by us, together with the initial purchasers in the New Notes Offering, and no assurances can be given that any Holder that tenders its Notes will be given an allocation of New Notes at the levels it may subscribe for, or at all.

The Dealer Managers are acting as initial purchasers in the New Notes Offering. The Dealer Managers may trade, or hold a long or short position in, the New Notes to be issued under the New Notes Offering or other debt securities of Falabella for their own accounts or for the accounts of their customers at any given time, and the Dealer Managers may participate in the Tender Offer by submitting one or more offers on their own behalf or on behalf of clients.

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SUMMARY

The following summary is qualified in its entirety by reference to, and should be read in conjunction with, the information appearing elsewhere in the Offer to Purchase. Each of the capitalized terms used in this summary and not defined herein has the meaning set forth elsewhere in this Offer to Purchase.

Issuer.....	Falabella, S.A.
The Notes	Up to U.S.\$150,000,000 in principal amount of the 2025 Notes issued by Falabella, of which U.S.\$400,000,000 in aggregate principal amount is outstanding as of the date hereof.
The Tender Offer	We are offering to purchase for cash, upon the terms and subject to the conditions set forth in this Offer to Purchase, up to the Maximum Acceptance Amount of the outstanding Notes at the Total Consideration or the Tender Offer Consideration, as applicable, therefor. The aggregate principal amount of notes that Falabella will purchase in this Tender Offer and the Other Tender Offer shall not exceed the Maximum Aggregate Tender Amount.
Tender Offer Consideration	The Tender Offer Consideration for the Notes will be U.S.\$1,055.00 per U.S.\$1,000 principal amount of the Notes.
Early Tender Payment.....	Holder s who validly tender and do not validly withdraw Notes prior to the Early Tender Date will receive on the Early Settlement Date an Early Tender Payment equal to U.S.\$30.00 per U.S.\$1,000 principal amount of Notes accepted for purchase. For purposes of the Tender Offer, tendered Notes will be deemed to have been accepted for purchase if and when the Company gives oral or written notice thereof to the Tender Agent.
Total Consideration	The Total Consideration for Notes validly tendered and not validly withdrawn on or before the Early Tender Date, and accepted for purchase by the Company, will be U.S.\$1,085.00 per U.S.\$1,000 principal amount of the Notes. The Total Consideration for the Notes includes the Early Tender Payment.
Accrued Interest.....	The Total Consideration or the Tender Offer Consideration, as applicable, for the Notes will be paid together with accrued and unpaid interest from and including the last interest payment date for the Notes up to, but not including, the Early Settlement Date or Final Settlement Date, as applicable. For avoidance of doubt, interest on the Notes will cease to accrue on the Early

	Settlement Date or Final Settlement Date, as applicable, for all Notes purchased in the Tender Offer.
Additional Amounts	We will pay additional amounts such that the Total Consideration or the Tender Offer Consideration, as applicable, and Accrued Interest received by Holders after withholding tax withheld by or within Chile or any other jurisdiction through which we pay such Total Consideration or the Tender Offer Consideration, as applicable, and Accrued Interest will be equal to the amount that would have been due had there been no withholding tax, to the extent provided in the Indenture.
Withdrawal Rights	Tenders of Notes may be validly withdrawn at any time at or prior to the Withdrawal Deadline by following the procedures described herein. Any Notes that are tendered at or prior to the Withdrawal Deadline but not validly withdrawn at or prior to the Withdrawal Deadline may not be withdrawn thereafter. See “Withdrawal of Tenders.”
Early Tender Date and Withdrawal Dead line	5:00 p.m., New York City time, on October 18, 2021, unless extended or terminated by us in our sole discretion.
Expiration Date	11:59 p.m., New York City time, on November 1, 2021, unless extended by us in our sole discretion.
Conditions of the Tender Offer	<p>Notwithstanding any other provision in this Offer to Purchase, we will not be obligated to accept for purchase, and pay for or cause to be paid for, Notes which are validly tendered pursuant to the Tender Offer if the General Conditions (as defined below) and the Financing Condition (as defined below) shall not have been satisfied or waived on or prior to the Early Settlement Date.</p> <p>See “Conditions of the Tender Offer.”</p> <p>We reserve the right to waive any of the conditions to the Tender Offer with respect to the Notes to pay, or cause to pay, for the Notes validly tendered on or prior to the Early Tender Date or the Expiration Date and to keep the Tender Offer open or extend the Early Tender Date or the Expiration Date.</p> <p>If any Notes are accepted for purchase pursuant to the Tender Offer, all validly tendered and not validly withdrawn Notes will be accepted for purchase, subject to proration of tenders in the event that they exceed either (i) the Maximum Acceptance Amount or (ii) together with the 3.750% senior notes due 2023 validly tendered in the Other Tender Offer, the Maximum Aggregate Tender Amount, in each case on either the Early Tender Date or the Expiration Date, as applicable, on the terms on conditions described in this Offer to Purchase.</p>

Source of Funds.....	Falabella will use all or a portion of the net proceeds from the New Notes Offering and, in its sole discretion, available cash on hand or funds from borrowings under available lines of credit to pay the Total Consideration or the Tender Offer Consideration, as applicable, for the Notes and Accrued Interest thereon and the cash consideration for its outstanding 3.750% senior notes due 2023 tendered and accepted for purchase in the Other Tender Offer.
Effect of the Tender Offer on Unpurchased Notes	If the Tender Offer is consummated, the aggregate principal amount of Notes that remains outstanding is expected to be significantly reduced, which in turn may adversely affect the liquidity of the Notes that remain outstanding after the consummation of the Tender Offer, if any. Furthermore, we reserve the right, in our sole discretion, to purchase any Notes that remain outstanding through open market purchases, privately negotiated transactions, redemptions, one or more additional tender or exchange offers, defeasance or otherwise, upon such terms and at such prices as we may determine (or as may be provided for in the Indenture), which may be more or less than the price to be paid pursuant to the Tender Offer and may involve cash or other consideration. See “Special Considerations.”
Early Settlement Date	October 21, 2021, unless extended by us in our sole discretion.
Final Settlement Date.....	We expect that the Final Settlement Date will be on November 4, 2021, unless extended by us in our sole discretion.
Acceptance of Tendered Notes.....	Upon the terms of the Tender Offer and upon satisfaction or waiver of the conditions to the Tender Offer specified herein under “Conditions of the Tender Offer,” we will accept for purchase all Notes validly tendered and not validly withdrawn, up to the lesser of (i) the Maximum Acceptance Amount or (ii) an aggregate principal amount that, together with the principal amount of the 3.750% senior notes due 2023 validly tendered and not validly withdrawn in the Other Tender Offer, equals the Maximum Aggregate Tender Amount, in each case subject to proration, as described under “Principal Terms of the Tender Offer.”
Payment for Tendered Notes	Only Holders who validly tender Notes and do not validly withdraw such tenders on or prior to the Early Tender Date or validly tender Notes after the Early Tender Date but on or prior to the Expiration Date, as applicable, will receive either the Total Consideration (including the Early Tender Payment) or the Tender Offer Consideration, as applicable.

	<p>Payment of the Total Consideration (including the Early Tender Payment) or the Tender Offer Consideration, as applicable, for Notes validly tendered and accepted for purchase will be made by deposit of such amounts with the Tender Agent (or upon the Tender Agent’s instructions, DTC) who will act as agent for the tendering Holders for the purpose of receiving such payments and transmitting such payments to the tendering Holders. Such payments are expected to be made on the Early Settlement Date or the Final Settlement Date, as applicable. See “Acceptance of Notes for Purchase; Payment for Notes; Payment of Consideration.”</p>
<p>How to Tender Notes</p>	<p>See “Procedures for Tendering Notes.” For further information, call the Information Agent or the Dealer Managers or consult your broker, dealer, commercial bank, trust company or other nominee for assistance.</p> <p>See “Representations, Warranties and Agreements by Tendering Holders” for a discussion of the items that all Holders who tender Notes in the Tender Offer will be deemed to have represented, warranted and agreed.</p>
<p>Unique Identifier Codes</p>	<p>Holders who wish to tender their Notes for cash and also subscribe for the New Notes should quote a unique identifier code corresponding to the New Notes proposed to be subscribed (“Unique Identifier Code”) through ATOP. A Unique Identifier Code can be obtained by contacting any of the Dealer Managers and is only relevant (but is not required) if a tendering Holder wishes to subscribe for New Notes. A Unique Identifier Code is not required for a Holder to tender its Notes. The Unique Identifier Code is only being provided to facilitate identification of tendering Holders of Notes that may be interested in subscribing for New Notes and should not be considered consideration or an entitlement of any nature.</p> <p>The receipt of a Unique Identifier Code in conjunction with any tender of Notes in the Tender Offer is not an allocation of the New Notes. In order to apply for the purchase of the New Notes such tendering Holders must make a separate application in respect of the New Notes for the purchase of such New Notes pursuant to the New Notes Offering. Falabella will review tender instructions received and may give priority in the allocation of the New Notes to those investors tendering with Unique Identifier Codes. However, allocations of New Notes will be determined by us, together with the initial purchasers in the New Notes Offering, and no assurances can be given that any Holder that tenders its Notes will be given an allocation of New Notes at the levels it may subscribe for, or at all.</p>

Certain Tax Consequences	For a discussion of certain tax consequences of the Tender Offer applicable to beneficial owners of Notes, see “Certain Tax Consequences.”
Dealer Managers	Citigroup Global Markets Inc., Goldman Sachs & Co. LLC and J.P. Morgan Securities LLC are serving as the Dealer Managers in connection with the Tender Offer. The contact information for the Dealer Managers appears on the back cover of this Offer to Purchase.
Tender Agent and Information Agent	D.F. King & Co., Inc. is serving as the Tender Agent and as the Information Agent in connection with the Tender Offer. Requests for additional copies of this Offer to Purchase and any other required documents should be directed to the Information Agent. The contact information for the Tender Agent and the Information Agent appears on the back cover of this Offer to Purchase. Documents relating to the Tender Offer, including this Offer to Purchase, are also available at www.dfking.com/falabella .

INFORMATION ABOUT FALABELLA

Falabella is a multi-format retail company that carries out its business through both brick-and-mortar and online platforms, combining growth, profitability and sustainability in its six main business areas: Department Stores, Home Improvement, Supermarkets, Financial Services (including Credit Card Services and Banking, among others), Real Estate and Marketplace. Falabella has a strong presence in Chile, Peru and Colombia, as well as operations in Argentina, Brazil, Uruguay and Mexico.

Falabella's registered offices are located at Avenida Manuel Rodríguez Norte 730, Santiago, postal code 8340753, Chile and the telephone number of the Company's registered office is +56 (2) 2380 2007.

AVAILABLE INFORMATION

Falabella's shares are listed on the Santiago Stock Exchange (*Bolsa de Comercio de Santiago*, "BCS") and on the Chilean Electronic Stock Exchange (*Bolsa Electrónica de Chile*, "BEC"). We are currently required to file quarterly and annual reports and notices of material events (*hechos esenciales*) in Spanish to the BCS and the BEC, in addition than to the Chilean Financial Market Commission of Chile (*Comisión para el Mercado Financiero*, or "CMF"). All such reports and notices are available at www.cmfchile.cl and at our website <https://investors.falabella.com/Spanish/inicio/default.aspx>.

The information contained on any website mentioned in this Offer to Purchase or any website directly or indirectly linked to these websites (including, for the avoidance of doubt, our website), is not part of, and is not incorporated by reference in, this Offer to Purchase and you should not rely on such information.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Offer to Purchase contains statements that constitute estimates and forward-looking statements. These statements appear in a number of places in this Offer to Purchase and include statements regarding our intent, belief or current expectations, and those of our officers, with respect to (among other things) our financial condition.

Our estimates and forward-looking statements are based mainly on current expectations and estimates of future events and trends, which affect, or may affect, our business and results of operations. Although we believe that these estimates and forward-looking statements are based upon reasonable assumptions, they are subject to several risks and uncertainties and are based on information currently available to us.

Information regarding important factors that could cause actual results to differ, perhaps materially, from those in the Company's forward-looking statements include, but are not limited to:

- the impact and duration of the COVID-19 pandemic, including the pace of recovery following the pandemic, any additional resurgence of infections or emergence of new COVID-19 variants, the impact and effectiveness of actions that governments, businesses and individuals take in response to the pandemic, and the short and longer-term effects of the COVID-19 pandemic and such measures, including on global, regional and local economies or consumer confidence;
- the effects of any pandemic or epidemic, including the COVID-19 pandemic, and measures taken in response thereto, on our resources, net income and liquidity;
- changes in general economic, business, socio-political or other conditions in the countries in which we operate, including social unrest and epidemics;
- loss of market share or changes in competition and pricing environments in the industries in which we operate;
- high levels of inflation or deflation;
- changes in, or failure to comply with, applicable regulations, or changes in taxes;
- changes in consumer spending and saving habits;
- the loss of suppliers and inability to procure new suppliers at competitive costs;
- stock-outs or excess inventory due to errors in demand forecast, supply delays or weather conditions affecting the seasonal component of our sales;
- limitations on our ability to open new stores and operate them profitably;
- difficulties in completing proposed store openings, expansions or remodelings;
- implementation of new technologies;
- failure of information systems, cyber security problems and data privacy affected by third parties;
- changes in labor relations;
- unanticipated increases in financing and other costs or our inability to obtain additional debt or equity financing on attractive terms;
- movements in interest and/or foreign exchange rates, and movements in equity prices or other rates or prices and inflation;
- difficulties in successfully integrating recent and future acquisitions into our operations;
- our inability to hedge certain risks economically;
- the quality and scope of the information available to conduct our credit risk management;

- management of the credit risk inherent in our credit card operations and the credit and liquidity risks inherent in our banking business (including unanticipated withdrawals of cash deposits);
- difficulties in acquiring and developing land in the countries where we operate, and restrictions on opening new large stores in any such countries;
- the monetary and interest rate policies of the Central Banks of the countries where we operate;
- regulatory developments affecting our CMR brand credit card and banking businesses;
- changes in capital markets in general that may affect policies or attitudes towards investing in the countries where we operate or securities issued by companies in such countries;
- the adequacy of our insurance policies;
- damages to physical assets due to events such as fires, flooding, earthquakes, natural disasters, social strife, riots, looting and other adverse events that may reduce or impair the productivity or operation of the assets and facilities in which we operate; and
- other factors described under “Special Considerations” and elsewhere in this Offer to Purchase.

The words “believe,” “may,” “may have,” “would,” “estimate,” “continues,” “anticipates,” “intends,” “hopes,” and similar words are intended to identify estimates and forward-looking statements. Estimates and forward-looking statements refer only to the date when they were made, and neither Falabella, the Tender Agent, the Information Agent, the Dealer Managers, the Trustee or any affiliate of any of them undertakes any obligation to update or review any estimate or forward-looking statement due to new information, future events or any other factors. Estimates and forward-looking statements involve risks and uncertainties and do not guarantee future performance, as actual results or developments may be substantially different from the expectations described in the forward-looking statements. In light of the risks and uncertainties described above, the events referred to in the estimates and forward-looking statements included in this Offer to Purchase may or may not occur, and our business performance and results of operation may differ materially from those expressed in our estimates and forward-looking statements, due to factors that include but are not limited to those mentioned above. Holders are warned not to place undue reliance on any estimates or forward-looking statements in making decisions regarding their investment in the Notes of their participation in the Tender Offer.

Neither Falabella, the Tender Agent, the Information Agent, the Dealer Managers, the Trustee nor any affiliate of any of them undertakes any obligation to update or revise any estimates or forward-looking statements, whether as a result of new information, future events or otherwise.

SPECIAL CONSIDERATIONS

In deciding whether to participate in the Tender Offer, each Holder should consider carefully, in addition to the other information contained or incorporated by reference in this Offer to Purchase, the following:

Potential effect on market for Notes not accepted for purchase

To the extent that Notes are tendered and accepted in the Tender Offer, the trading market for the Notes remaining outstanding may become more limited. A bid for a debt security with a smaller outstanding aggregate principal amount available for trading (a smaller “float”) may be lower than a bid for a comparable debt security with a greater float. Therefore, the market price for Notes not purchased may be affected adversely to the extent that the amount of Notes purchased pursuant to the Tender Offer reduces the float for the Notes. The reduced float may also tend to make the trading price more volatile. Holders of unpurchased Notes may attempt to obtain quotations for the Notes from their brokers; however, there can be no assurance that an active trading market will exist for the Notes following the Tender Offer. The extent of the public market for the Notes following consummation of the Tender Offer would depend upon, among other things, the number of Holders remaining and the outstanding aggregate principal amount of the Notes of such at such time and the interest in maintaining a market in the Notes on the part of securities firms and other factors.

The consummation of the Tender Offer is subject to satisfaction of certain Conditions

The consummation of the Tender Offer is subject to satisfaction or waiver of (1) the Financing Condition and (2) the General Conditions. These conditions are described in more detail in this Offer to Purchase under “Conditions of the Tender Offer.” We cannot assure you that such conditions will be satisfied or waived with respect to the Tender Offer or that any failure to consummate the Tender Offer will not have a negative effect on the market price and liquidity of the Notes.

Withdrawal Rights

Tenders of Notes made before the Withdrawal Deadline may be validly withdrawn at any time before the Withdrawal Deadline, but not thereafter, unless required by applicable law. In addition, the Company may, in its sole discretion subject to applicable law, extend the Withdrawal Deadline or the Expiration Date or, at any time prior to the Expiration Date, terminate the Tender Offer. The Company may also extend the Early Tender Date without extending the Withdrawal Deadline. Payment of the Total Consideration and the Tender Offer Consideration will not be made prior to the Early Settlement Date or Final Settlement Date, as applicable, the occurrence of which is dependent upon the satisfaction or waiver of the conditions to the Tender Offer. Therefore, Holders that tender Notes before the Withdrawal Deadline could be forced to wait for an extended period of time before receiving payment, if at all, and will not have the ability to withdraw or trade tendered Notes during that time unless the Company extends the Withdrawal Deadline. Unless required by applicable law, Notes tendered after the Withdrawal Deadline may not be withdrawn, and Holders that tender such Notes could be forced to wait for an extended period of time before receiving payment for their Notes, if at all.

The Tender Offer is subject to the Maximum Acceptance Amount, Maximum Aggregate Tender Amount and Proration

The offer to purchase the Notes shall not exceed U.S.\$150,000,000 in outstanding principal amount of the Notes, referred to as the Maximum Acceptance Amount. If the aggregate principal amount of Notes validly tendered and not validly withdrawn on or prior to the Early Tender Date exceeds the Maximum Acceptance Amount, Holders who validly tender Notes after the Early Tender Date will not have any such Notes accepted for payment.

The principal amount of Notes that Falabella will purchase in this Tender Offer, together with the principal amount of its 3.750% senior notes due 2023 that it will purchase in the Other Tender Offer, shall not exceed U.S.\$550,000,000, referred to as the Maximum Aggregate Tender Amount. If the aggregate principal amount of Notes validly tendered and not validly withdrawn on or prior to the Early Tender Date exceeds either (i) the

Maximum Acceptance Amount or (ii) together with the 3.750% senior notes due 2023 validly tendered and not validly withdrawn in the Other Tender Offer, the Maximum Aggregate Tender Amount, then Holders who validly tender Notes after the Early Tender Date will not have any such Notes accepted for payment.

Additionally, if, on the Early Settlement Date or Final Settlement Date, as applicable, only a portion of outstanding Notes validly tendered (and not validly withdrawn at or prior to the Withdrawal Deadline) may be accepted for purchase, the aggregate principal amount of Notes accepted for purchase will be prorated based upon the aggregate principal amount of Notes that have been validly tendered and not yet accepted for purchase in the Tender Offer, such that neither the Maximum Acceptance Amount nor the Maximum Aggregate Tender Amount will be exceeded.

Repurchase of Notes

We reserve the right, in our sole discretion, either directly or through an affiliate, from time to time to purchase any Notes that remain outstanding through open market purchases, privately negotiated transactions, redemptions, one or more additional tender or exchange offers, defeasance or otherwise, upon such terms and at such prices as we may determine (or as may be provided for in the Indenture), which may be more or less than the price to be paid pursuant to the Tender Offer and may involve cash or other consideration. There can be no assurance as to which, if any, of these alternatives or combinations thereof we or our affiliates may choose to pursue in the future.

The Tender Offer may be cancelled, delayed or amended

We have the right to terminate or withdraw at our sole discretion the Tender Offer. Even if the Tender Offer is consummated, it may not be consummated on the schedule described in this Offer to Purchase. Accordingly, Holders participating in the Tender Offer may have to wait longer than expected to receive the payment (or to have their Notes returned to them in the event we terminate the Tender Offer), during which time such Holders will not be able to effect transfers or sales of their Notes (except in the limited circumstances described herein). In addition, subject to certain limits, we have the right to amend the terms of the Tender Offer prior to the Early Tender Date or the Expiration Date.

The consideration to be received in the Tender Offer does not reflect any valuation of the Notes.

Neither our board of directors nor our management has made any determination that the Total Consideration or the Tender Offer Consideration, as applicable, with respect to the Notes to be received in connection with the Tender Offer represents a fair valuation of the Notes. We have not obtained a fairness opinion from any financial advisor or other person about the fairness to us or to you of the Total Consideration or the Tender Offer Consideration, as applicable. Holders of Notes should consult their own tax, accounting, financial and legal advisers regarding the suitability to themselves of the tax or accounting consequences of participating in the Tender Offer. Each Holder must make its own decision whether to tender its Notes and, if so, the principal amount of Notes to tender, based on such Holder's assessment of current market value and other relevant factors.

Responsibility for complying with the procedures of the Tender Offer

Holders of Notes are responsible for complying with all of the procedures for tendering Notes for purchase. If the instructions are not strictly complied with, the Agent's Message may be rejected at Falabella's sole discretion. None of Falabella, the Dealer Managers, the Tender Agent or the Information Agent assumes any responsibility for informing any Holder of Notes of irregularities with respect to such Holder's participation in the Tender Offer or in respect of instructions to, or existing arrangement with, any custodian acting for Holders.

Tax considerations

See "Certain Tax Consequences" for a discussion of certain tax matters that should be considered in evaluating the Tender Offer.

PRINCIPAL TERMS OF THE TENDER OFFER

General

Subject to the satisfaction or waiver of the conditions to the Tender Offer, we are offering to purchase Notes up to the lesser of (i) the Maximum Acceptance Amount and (ii) an aggregate principal amount that, together with the principal amount of the 3.750% senior notes due 2023 validly tendered and not validly withdrawn in the Other Tender Offer, equals the Maximum Aggregate Tender Amount, in each case subject to proration (as described below) and upon the other terms and subject to the conditions set forth in this Offer to Purchase. In our sole discretion, we may determine if certain conditions to the Tender Offer have been satisfied for the purchase of the Notes.

The total consideration for the Notes (the “Total Consideration”) is U.S.\$1,085.00 for each U.S.\$1,000 principal amount of Notes, which includes an early tender payment (the “Early Tender Payment”) of U.S.\$30.00 per U.S.\$1,000 principal amount of the Notes. Holders validly tendering and not validly withdrawing Notes on or before the Early Tender Date will be eligible to receive the Total Consideration (including the Early Tender Payment) on a date expected to be the third business day following the Early Tender Date (the “Early Settlement Date”), but which may change without notice.

Holders validly tendering their Notes after the Early Tender Date and prior to or at the Expiration Date will be eligible to receive (the “Tender Offer Consideration”) U.S.\$1,055.00 per U.S.\$1,000 principal amount of the Notes, equal to the Total Consideration less the Early Tender Payment, on a date promptly following the Expiration Date (the “Final Settlement Date”) (which date is expected to be the third business day after the Expiration Date, but which may change without notice).

The Total Consideration or the Tender Offer Consideration, as applicable, for the Notes will be paid together with accrued and unpaid interest (“Accrued Interest”) from and including the last interest payment date for the Notes up to, but not including, (i) in the case of any Notes tendered on or before the Early Tender Date, the Early Settlement Date and (ii) in the case of any remaining Notes tendered after the Early Tender Date, the Final Settlement Date. Additionally, we will pay additional amounts such that the Total Consideration or the Tender Offer Consideration, as applicable, and Accrued Interest received by Holders after withholding tax withheld by or within Chile or any other jurisdiction through which we pay such Total Consideration or the Tender Offer Consideration, as applicable, and Accrued Interest will be equal to the amount that would have been due had there been no withholding tax, to the extent provided in the Indenture.

Maximum Acceptance Amount; Maximum Aggregate Tender Amount; Proration

The offer to purchase the Notes shall not exceed U.S.\$150,000,000 in outstanding principal amount of the Notes (the “Maximum Acceptance Amount”), and Notes that are validly tendered and accepted in the Tender Offer are subject to possible proration on the Early Settlement Date or the Final Settlement Date. If the aggregate principal amount of Notes validly tendered and not validly withdrawn on or prior to the Early Tender Date exceeds the Maximum Acceptance Amount, Holders who validly tender Notes after the Early Tender Date will not have any such Notes accepted for payment.

The principal amount of Notes that Falabella will purchase in this Tender Offer, together with the principal amount of its 3.750% senior notes due 2023 that it will purchase in the Other Tender Offer, shall not exceed U.S.\$550,000,000 (the “Maximum Aggregate Tender Amount”). If the aggregate principal amount of Notes validly tendered and not validly withdrawn on or prior to the Early Tender Date exceeds either (i) the Maximum Acceptance Amount or (ii) together with the 3.750% senior notes due 2023 validly tendered and not validly withdrawn in the Other Tender Offer, the Maximum Aggregate Tender Amount, then Holders who validly tender Notes after the Early Tender Date will not have any such Notes accepted for payment.

If, on the Early Settlement Date or Final Settlement Date, as applicable, only a portion of outstanding Notes validly tendered (and not validly withdrawn at or prior to the Withdrawal Deadline) may be accepted for purchase, the aggregate principal amount of Notes accepted for purchase will be prorated based upon the aggregate principal

amount of Notes that have been validly tendered and not yet accepted for purchase in the Tender Offer, such that neither the Maximum Acceptance Amount nor the Maximum Aggregate Tender Amount will be exceeded.

In the event proration is required with respect to the Notes, we will multiply the principal amount of each valid tender of Notes by the applicable proration rate and round the resulting amount down to the nearest multiple of U.S.\$1,000 principal amount. Depending on the aggregate principal amount of Notes tendered and the proration factor applied, if the principal amount of Notes to be returned to a Holder as a result of proration would result in less than the minimum denomination of U.S. \$200,000 principal amount being returned to such Holder, Falabella, in its sole discretion, will either accept or reject all of such Holder's validly tendered Notes. If proration is required, we will determine the final proration factor as soon as practicable after the Early Tender Date or Expiration Date, as applicable. Holders may obtain information on the results of such proration from the Information Agent and the Dealer Managers and may be able to obtain such information from their brokers.

CONDITIONS OF THE TENDER OFFER

Notwithstanding any other provision in this Offer to Purchase, our obligation to accept for payment or purchase, and to pay (or cause to be paid) for, Notes validly tendered pursuant to the Tender Offer, is in each case subject to, and conditioned upon, unless waived, the Financing Condition and the General Conditions (each as described below) on or prior to the Expiration Date.

Financing Condition

The Tender Offer is conditioned upon (1) the entry by Falabella into a purchase agreement, on terms and conditions reasonably satisfactory to Falabella, for the offer and sale of the New Notes, (2) the successful closing of the New Notes Offering and (3) receipt by Falabella of sufficient funds from the New Notes Offering to allow Falabella to pay the consideration (including Accrued Interest and additional amounts, if any, as described elsewhere herein) for the Notes tendered and accepted pursuant to the Tender Offer and the 3.750% senior notes due 2023 tendered and accepted pursuant to the Other Tender Offer (clauses (1) through (3) are referred to herein as the “Financing Condition”).

No assurance can be given that the New Notes will be priced on the terms currently envisioned or at all. If the Financing Condition shall not have been satisfied (including if (i) the purchase agreement for the New Notes is terminated, (ii) the New Notes Offering fails to close or (iii) Falabella does not receive sufficient proceeds from the New Notes Offering to pay for (x) the purchase of the Notes tendered and accepted pursuant to the Tender Offer, (y) the purchase of any and all 3.750% senior notes due 2023 tendered and accepted pursuant to the Other Tender Offer or (z) the fees and expenses of the Tender Offer and the Other Tender Offer) on or prior to the Early Settlement Date or waived by Falabella, no payments shall be made to tendering Holders on the Early Settlement Date or the Final Settlement Date.

General Conditions

Notwithstanding any other provision of the Tender Offer and in addition to (and not in limitation of) our rights to extend, amend or terminate the Tender Offer, we shall not be required to accept for payment, purchase or pay for, and may delay the acceptance for payment of, any tendered Notes and may terminate the Tender Offer, if any of the following (the “General Conditions”) have occurred:

(1) there shall have been instituted, threatened or be pending any action or event, or there shall be proposed, enacted, entered, issued, promulgated, enforced or deemed applicable to the Tender Offer by any court, authority, tribunal or governmental, regulatory or administrative agency or instrumentality (including, without limitation, taxing authorities), any statute, rule, regulation, judgment, order, stay, decree or injunction, that either:

(a) challenges the making of the Tender Offer or might, directly or indirectly, prohibit, prevent, restrict or delay consummation of, or might otherwise adversely affect in any material manner, the Tender Offer; or

(b) in our reasonable judgment, could materially adversely affect our business, condition (financial or otherwise), income, operations, properties, assets, liabilities or prospects or materially impair the contemplated benefits to us of the Tender Offer or the delivery of any cash amounts;

(2) there shall have occurred or be likely to occur any event that would or might, in our reasonable judgment, prohibit, prevent or delay the Tender Offer or impair our ability to realize the anticipated benefits of the Tender Offer;

(3) there shall have occurred (a) any general suspension of or limitation on trading in securities on the New York Stock Exchange, the Santiago Stock Exchange, the Chilean Electronic Stock Exchange or in the over-the-counter markets in the United States or Chile or other major securities markets, whether or not

mandatory, (b) a material impairment in the general trading market for debt securities, (c) a declaration of a banking moratorium or any suspension of payments in respect of banks by federal, state or other authorities in the United States or Chile or other major financial markets, whether or not mandatory, (d) a commencement of a war, armed hostilities, a terrorist act or other national or international calamity directly or indirectly relating to the United States or Chile or other countries in which we conduct our business, (e) any limitation, whether or not mandatory, by any governmental authority on, or other event having a reasonable likelihood of affecting, the extension of credit by banks or other lending institutions in the United States or Chile or other countries in which we conduct our business, (f) any material adverse change in the securities or financial markets in the United States, Chile or other countries in which we conduct our business generally or (g) in the case of any of the foregoing existing at the time of the commencement of such Tender Offer, a material acceleration or worsening thereof; or

(4) the Trustee shall have objected in any respect to, or taken any action that could, in our reasonable judgment, adversely affect the consummation of the Tender Offer, or shall have taken any action that challenges the validity or effectiveness of the procedures used by us in making the Tender Offer or the delivery of any cash amounts.

The Tender Offer is not contingent upon the valid tender of any minimum principal amount of Notes.

If any Notes are accepted for purchase pursuant to the Tender Offer, all validly tendered Notes will be accepted for purchase.

The foregoing conditions (including the Financing Condition and the General Conditions) are for our sole benefit and may be waived by us, in whole or in part, in our absolute discretion with respect to the Notes. We have not made a decision as to what circumstances would lead us to waive any such condition, and any such waiver would depend on circumstances prevailing at the time of such waiver. In addition, our interpretation of the terms and conditions of the Tender Offer will be final and binding. Any determination by us concerning the events described in this section shall be final and binding upon all the Holders.

We may, with respect to the Tender Offer and subject to applicable law, at any time at or prior to the Withdrawal Deadline, regardless of whether any of the foregoing conditions are satisfied:

- terminate the Tender Offer in our sole discretion and promptly return all tendered Notes to the respective tendering Holders;
- modify, extend or otherwise amend the Tender Offer and retain all tendered Notes until the Withdrawal Deadline, as extended, subject, however, to the withdrawal rights of Holders; or
- waive the unsatisfied conditions with respect to the Tender Offer and accept all Notes tendered and not previously validly withdrawn.

The failure by the Company at any time to exercise any of the foregoing rights will not be deemed a waiver of any other right and each right will be deemed an ongoing right that may be asserted at any time and from time to time.

If we amend the Tender Offer in a manner that we determine constitutes a material change, we will extend the Tender Offer for a period of up to two to ten business days, depending upon the significance of the amendment and the manner of disclosure to the Holders. Any change in the consideration offered to Holders of Notes pursuant to the Tender Offer will be paid to all holders whose Notes have been previously tendered and not validly withdrawn, provided that any change to the Early Tender Payment will be paid only to Holders who validly tender and do not validly withdraw their Notes prior to the Early Tender Date.

EXPIRATION; EXTENSION; AMENDMENT; TERMINATION

For purposes of the Tender Offer, the Early Tender Date will be 5:00 p.m., New York City time, on October 18, 2021 and the Expiration Date will be 11:59 p.m., New York City time, on November 1, 2021, subject to our right to extend each time and date in our absolute discretion, in which case the Early Tender Date or the Expiration Date shall mean the latest time and date to which such Early Tender Date or such Expiration Date, as applicable, is extended.

We expressly reserve the right to extend the Early Tender Date or the Expiration Date for such period or periods as we may determine, in our sole discretion from time to time, by giving written or oral notice to the Tender Agent and by making a public announcement by press release by no later than 9:00 a.m., New York City time, on the date following the scheduled Early Tender Date or the Expiration Date, as the case may be. During any extension of the Tender Offer, all Notes previously tendered will remain subject to the Tender Offer.

To the extent we are legally permitted to do so, we expressly reserve the absolute right to (i) waive any condition to the Tender Offer, (ii) amend any of the terms of the Tender Offer and (iii) modify the Total Consideration, the Early Tender Payment or the Tender Offer Consideration. Any amendment to the Tender Offer will apply to all Notes tendered by the applicable deadline (i.e., the Early Tender Date or the Expiration Date), regardless of when or in what order such Notes were tendered. If we make a material change in the terms of the Tender Offer, we will disseminate additional materials or, if appropriate, issue a press release setting forth such changes, and we will extend the Tender Offer to the extent required by law.

We expressly reserve the right, in our sole discretion, to terminate the Tender Offer at any time. If we terminate the Tender Offer, we will give immediate notice to the Tender Agent, and all Notes theretofore tendered pursuant to the Tender Offer will be returned promptly to the tendering Holders thereof. See “Withdrawal of Tenders” below and “Conditions of the Tender Offer” above.

PROCEDURES FOR TENDERING NOTES

A defective tender of Notes (which defect is not waived by us or cured by the Holder) will not constitute a valid tender of Notes and will not entitle the Holder thereof to the Total Consideration or the Tender Offer Consideration, as applicable. A defective tender of Notes that is waived by us or cured by the Holder will constitute a valid tender of Notes and will entitle the Holder thereof to the Total Consideration or the Tender Offer Consideration, as applicable.

Tenders of Notes

All of the Notes are held in book-entry form and registered in the name of Cede & Co., as the nominee of DTC. Only Holders are authorized to tender their Notes. Therefore, to tender Notes that are held through a broker, dealer, commercial bank, trust company or other nominee, a beneficial owner thereof must instruct such nominee to tender the Notes on such beneficial owner's behalf according to the procedure described below. See "Representations, Warranties and Agreements by Tendering Holders" for a discussion of the items that all Holders who tender Notes in the Tender Offer will be deemed to have represented, warranted and agreed.

Procedures. For a Holder to validly tender Notes pursuant to the Tender Offer an Agent's Message (as defined below), and any other required documents, must be received by the Tender Agent at its address set forth on the back cover of this Offer to Purchase prior to the Early Tender Date or the Expiration Date, as applicable.

In addition, to validly tender Notes prior to the Early Tender Date or the Expiration Date, as applicable, such Notes must be transferred pursuant to the procedures for book-entry transfer described below (and a confirmation of such transfer must be received by the Tender Agent, including an Agent's Message). The term "Agent's Message" means a message, transmitted by DTC to, and received by the Tender Agent and forming a part of the book-entry confirmation, which states that DTC has received an express acknowledgment from the tendering participant, which acknowledgment states that such participant has received and agrees to be bound by the terms of the Tender Offer as set forth in this Offer to Purchase.

Book-Entry Transfer; Tender Through ATOP

Promptly after the date of this Offer to Purchase, the Tender Agent will establish one or more accounts with respect to the Notes at DTC for purposes of the Tender Offer. Any financial institution that is a participant in DTC may make book-entry tender of the Notes by causing DTC to transfer such Notes into the appropriate account of the Tender Agent in accordance with DTC's procedure for such transfer. Although delivery of the Notes may be effected through book-entry at DTC, an Agent's Message and any other required documents must be transmitted to and received by the Tender Agent at its address set forth on the back cover of this Offer to Purchase prior to the Early Tender Date in order for the Holder of the Notes to be eligible to receive the Total Consideration (including Early Tender Payment) or the Expiration Date in order for the Holder of the Notes to be eligible to receive the Tender Offer Consideration, plus, in each case, Accrued Interest. **Delivery of any such documents to DTC does not constitute delivery to the Tender Agent.**

Holders must execute their tender and delivery through DTC's ATOP system by transmitting their acceptance to DTC in accordance with DTC's ATOP procedures; DTC will then verify the acceptance, execute a book-entry delivery to the Tender Agent's account(s) at DTC and send an Agent's Message to the Tender Agent. Delivery of the Agent's Message by DTC will satisfy the terms of the Tender Offer.

Tender of Notes Held Through Clearstream, Luxembourg or Euroclear

Any Holder who holds Notes through Clearstream, Luxembourg or Euroclear must also comply with the applicable procedures of Clearstream, Luxembourg or Euroclear, as applicable, in connection with a tender of Notes and must submit their acceptance in sufficient time for such tenders to be made prior to the Early Tender Date or the

Expiration Date, as applicable. Both Clearstream, Luxembourg and Euroclear are indirect participants in the DTC system.

In order to submit Notes held through Clearstream, Luxembourg or Euroclear for tender, Holders must arrange for a direct participant in Clearstream, Luxembourg or Euroclear, as the case may be, to submit any tender, which must include Blocking Instructions (as defined below), to Clearstream, Luxembourg or Euroclear on or prior to the Early Tender Date or the Expiration Date, as applicable. Holders should note that Clearstream, Luxembourg and Euroclear may require that action be taken a day or more prior to the Early Tender Date or the Expiration Date, as applicable. “Blocking Instructions” include instructions to block any attempt to transfer a Holder’s Notes on or prior to the Early Settlement Date or Final Settlement Date, as applicable, to debit the Holder’s account for the amount of Notes accepted into the Tender Offer on or about the Early Settlement Date or Final Settlement Date, as applicable, and the authorization to disclose the identity of the participant account holder and account information.

Unique Identifier Code

Holders who wish to tender their Notes for cash and also subscribe for the New Notes should quote a unique identifier code corresponding to the New Notes proposed to be subscribed (“Unique Identifier Code”) through ATOP. A Unique Identifier Code can be obtained by contacting any of the Dealer Managers and is only relevant (but is not required) if a tendering Holder wishes to subscribe for New Notes. A Unique Identifier Code is not required for a Holder to tender its Notes. The Unique Identifier Code is only being provided to facilitate identification of tendering Holders of Notes that may be interested in subscribing for New Notes and should not be considered consideration or an entitlement of any nature.

This Offer to Purchase does not constitute an offer to sell or a solicitation of an offer to buy the New Notes.

The receipt of a Unique Identifier Code in conjunction with any tender of Notes in the Tender Offer is not an allocation of the New Notes. In order to apply for the purchase of the New Notes such tendering Holders must make a separate application in respect of the New Notes for the purchase of such New Notes pursuant to the New Notes Offering. Falabella will review tender instructions received and may give priority in the allocation of the New Notes to those investors tendering with Unique Identifier Codes. However, allocations of New Notes will be determined by us, together with the initial purchasers in the New Notes Offering, in our sole discretion, and no assurances can be given that any Holder that tenders its Notes will be given an allocation of New Notes at the levels it may subscribe for, or at all.

For the avoidance of doubt, the ability to purchase New Notes and for the use of Unique Identifier Codes to be effective is subject to all applicable securities laws and regulations in force in any relevant jurisdiction (including the jurisdiction of the relevant Holder and the selling restrictions set out in the offering documents regarding the New Notes). **It is the sole responsibility of each Holder to satisfy itself that it is eligible to purchase the New Notes before requesting a Unique Identifier Code.** Any investment decision to purchase any New Notes should be made solely on the basis of the information contained in the offering memorandum (the “New Notes Offering Memorandum”) and any final terms to be prepared in connection with the issue and offering of the New Notes, and no reliance is to be placed on any information other than that contained in the New Notes Offering Memorandum. Subject to compliance with all applicable securities laws and regulations, the New Notes Offering Memorandum will be available from the joint bookrunners on request.

The New Notes have not been and will not be registered under the Securities Act or the securities laws of any other jurisdiction. Accordingly, the New Notes will only be offered and sold to “qualified institutional buyers” (QIBs) in accordance with Rule 144A under the Securities Act and outside the United States to non-U.S. persons in reliance on Regulation S under the Securities Act. The New Notes Offering is not conditioned on the successful consummation of the Tender Offer. The New Notes have not been and will not be subject to a public offering in any other country and the New Notes have not been and will not be registered with or approved by any regulatory authority.

The New Notes may not be offered or sold, directly or indirectly, by means of a “Public Offer” (as defined under Law No. 18,045, as amended (the “Chilean Securities Market Law”) in Chile or to any resident in Chile, except as permitted by applicable Chilean law. The New Notes will not be registered under the Chilean Securities Market Law with the CMF and, accordingly, the New Notes cannot and will not be offered or sold to persons in Chile except in circumstances they are offered in reliance on an available exemption from such registration. Pursuant to Rule (*Norma de Carácter General*) No. 336, dated June 27, 2012, issued by the CMF, the New Notes may be privately offered in Chile to certain “qualified investors,” identified as such therein (which in turn are further described in Rule No. 216, dated June 12, 2008, of the CMF, “Rule 216”). Pursuant to Rule No. 452 dated February 22, 2021, the New Notes may be publicly offered in Chile without registration requirement provided they are offered exclusively to “qualified investors” (as defined by Rule 216).

Other Matters

Notwithstanding any other provision in this Offer to Purchase, payment of the Total Consideration or the Tender Offer Consideration, as applicable, plus Accrued Interest in exchange for Notes tendered and accepted for purchase pursuant to the Tender Offer will occur only after timely receipt by the Tender Agent of the required documents as set forth above.

Tenders of Notes pursuant to the procedures described above, and acceptance thereof by us, will constitute a binding agreement between the tendering Holder and us upon the terms and subject to the conditions of the Tender Offer as set forth in the Offer Documents.

The method of delivery of Notes and all other required documents is at the election and risk of the tendering Holder. If a Holder chooses to deliver by mail, the recommended method is by registered mail with return receipt requested, properly insured. In all cases, sufficient time should be allowed to ensure timely delivery.

Please note that if Notes are held by a custodian, the custodian may have an earlier deadline for tendering Notes pursuant to the Tender Offer than the Early Tender Date or the Expiration Date.

All questions as to the form of all documents and the validity (including time of receipt) and acceptance of all tenders of Notes will be determined by us, in our sole discretion, the determination of which shall be final and binding. We reserve the absolute right to reject any or all tenders of Notes that are not in proper form or the acceptance of which would, in our opinion, be unlawful. We also reserve the right to waive any defects, irregularities or conditions of tender as to particular Notes. Our interpretations of the terms and conditions of the Tender Offer will be final and binding. Any defect or irregularity in connection with tenders of Notes must be cured within such time as we determine, unless waived by us. Tenders of Notes shall not be deemed to have been made until all defects and irregularities have been waived by us or cured. None of Falabella, the Tender Agent, the Information Agent, the Dealer Managers, the Trustee or any affiliate of any of them or any other person will be under any duty to give notice of any defects or irregularities in tenders of Notes, nor will such parties incur any liability to Holders for failure to give any such notice.

REPRESENTATIONS, WARRANTIES AND AGREEMENTS BY TENDERING HOLDERS

Each Holder who tenders any Notes in the Tender Offer will be deemed to represent, warrant and agree that:

- (1) it has received and reviewed the Offer Documents;
- (2) it is the Beneficial Owner (as defined below) of, or a duly authorized representative of one or more Beneficial Owners of, the Notes tendered in connection with the Tender Offer, and it has full power and authority to tender such Notes;
- (3) the Notes being tendered in connection with the Tender Offer were owned as of the date of tender, free and clear of any liens, charges, claims, encumbrances, interests and restrictions of any kind, and we will acquire good, indefeasible and unencumbered title to such Notes, free and clear of all liens, charges, claims, encumbrances, interests and restrictions of any kind, when we accept the same;
- (4) it will not sell, pledge, hypothecate or otherwise encumber or transfer any Notes tendered in connection with the Tender Offer from the date of tender, and any purported sale, pledge, hypothecation or other encumbrance or transfer will be void and of no effect;
- (5) it is not a person to whom it is unlawful to make an invitation to participate in, or solicit a tender pursuant to, the Tender Offer under applicable securities laws;
- (6) in evaluating the Tender Offer and in making its decision whether to participate in the Tender Offer by tendering its Notes, the Holder has made its own independent appraisal of the matters referred to in the Offer to Purchase and in any related communications, and it is not relying on any statement, representation or warranty, express or implied, made to it by Falabella, the Tender Agent, the Information Agent, the Trustee or the Dealer Managers, other than those contained in the Offer to Purchase, as amended or supplemented through the Early Tender Date or the Expiration Date, as applicable;
- (7) the tendering of Notes in connection with the Tender Offer shall constitute an undertaking by the Holder to execute any further documents and give any further assurances that may be required in connection with any of the foregoing, in each case on and subject to the terms and conditions;
- (8) if the Notes are assets of (i) an “employee benefit plan” as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”) that is subject to Title I of ERISA, (ii) a “plan” as defined in Section 4975 of the Internal Revenue Code of 1986, as amended (the “Code”), (iii) a “governmental plan” as defined in Section 3(32) of ERISA or any other plan that is subject to a law substantially similar to Title I of ERISA or Section 4975 of the Code, or (iv) an entity deemed to hold plan assets of any of the foregoing, the tendering of Notes will not result in a nonexempt prohibited transaction under ERISA, Section 4975 of the Code or any substantially similar applicable law;
- (9) it has such knowledge and experience in financial and business matters, that it is capable of evaluating the merits and risks of participating in the Tender Offer and that it, and any accounts for which it is acting, are each able to bear the economic risks of its, or their, investment; and
- (10) it has observed the laws of all relevant jurisdictions, obtained all requisite governmental, exchange control or other required consents, complied with all requisite formalities and paid any issue, transfer or other taxes or requisite payments due from any of them in each respect in connection with any offer or acceptance in any jurisdiction, and that it and such person or persons have not taken or omitted to take any action in breach of the terms of the Tender Offer or which will or may result in Falabella or any other person acting in breach of the legal or regulatory requirements of any such jurisdiction in connection with the Tender Offer or the tender of Notes in connection therewith.

The representations, warranties and agreements of a Holder tendering Notes shall be deemed to be repeated and reconfirmed on and as of the Early Tender Date or the Expiration Date, as applicable, and the Early Settlement Date and the Final Settlement Date, as the case may be. “Beneficial Owner” of any of the Notes means any holder that exercises investment discretion with respect to such Notes.

**ACCEPTANCE OF NOTES FOR PURCHASE;
PAYMENT FOR NOTES; PAYMENT OF CONSIDERATION**

Upon the terms and subject to the conditions of the Tender Offer (including if the Tender Offer is extended or amended, the terms and conditions of any such extension or amendment), we will accept for purchase, and we will pay for the Notes validly tendered and not validly withdrawn on or prior to the Early Tender Date or validly tendered and accepted after the Early Tender Date or the Expiration Date, in each case upon satisfaction or waiver of the conditions to the Tender Offer specified under “Conditions of the Tender Offer.” Such payment will be made by deposit with the Tender Agent (or, upon the Tender Agent’s instructions, DTC) of the Total Consideration (which includes the Early Tender Payment), to Holders who validly tender and do not validly withdraw tendered Notes on or prior to the Early Tender Date, or the Tender Offer Consideration, to Holders who validly tender Notes after the Early Tender Date but on or prior to the Expiration Date, in each case plus Accrued Interest. For avoidance of doubt, interest on the Notes will cease to accrue on the Early Settlement Date or the Final Settlement Date, as applicable, for all Notes purchased in the Tender Offer. The Tender Agent will act as agent for tendering Holders for the purpose of receiving payment and transmitting such payment to tendering Holders. Under no circumstances will interest on the Total Consideration or Tender Offer Consideration, as applicable, be paid by reason of any delay by the Tender Agent or DTC in making such payments.

We expressly reserve the right, in our sole discretion, to (1) delay acceptance for purchase of Notes tendered under the Tender Offer or payment for Notes accepted for purchase (subject to Rule 14e-1 under the Exchange Act, which requires that the consideration offered be paid or the Notes deposited by or on behalf of the Holders be returned promptly after the termination or withdrawal of the Tender Offer) or (2) terminate the Tender Offer at any time with respect to the Notes in our sole discretion.

For purposes of the Tender Offer, we will be deemed to have accepted for purchase validly tendered Notes if, as and when we give oral or written notice thereof to the Tender Agent.

Notes may only be tendered in minimum principal amounts of U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof (the “Authorized Denominations”). No alternative, conditional or contingent tenders will be accepted. Holders who tender less than all of their Notes must continue to hold Notes in Authorized Denominations.

If, for any reason, acceptance for purchase or payment for validly tendered Notes pursuant to the Tender Offer is delayed, or we are unable to accept for purchase validly tendered Notes, or payment is not made for validly tendered Notes pursuant to the Tender Offer, then the Tender Agent may, nevertheless, on behalf of Falabella, retain tendered Notes in such Offer, without prejudice to our rights described under “Expiration; Extension; Amendment; Termination” and “Conditions of the Tender Offer” above and “Withdrawal of Tenders” below, but subject further to Rule 14e-1 under the Exchange Act, which requires that the consideration offered be paid or the Notes tendered be returned promptly after the termination or withdrawal of such Tender Offer.

If any tendered Notes are not accepted for payment for any reason pursuant to the terms and conditions of the Tender Offer, such unpurchased Notes will be credited to an account maintained at DTC, designated by the participant therein who so delivered such Notes, promptly following the Early Settlement Date, the Expiration Date or the termination of the Tender Offer, without expense to the tendering Holder.

We reserve the right to transfer or assign, in whole or from time to time in part, to one or more of our affiliates the right to purchase all or any of the Notes tendered pursuant to the Tender Offer, or to pay all or any portion of the Total Consideration or Tender Offer Consideration, as applicable, and Accrued Interest for any validly tendered Notes, but any such transfer or assignment will not relieve us of our obligations under the Tender Offer and will in no way prejudice the rights of tendering Holders to receive payment for Notes validly tendered and not validly withdrawn and accepted for purchase pursuant to the Tender Offer or to receive the Total Consideration or Tender Offer Consideration, as applicable, and Accrued Interest for Notes accepted for purchase on or prior to the Early Settlement Date or the Expiration Date, as applicable.

Under no circumstances will any interest be payable because of any delay by the Tender Agent or DTC in the transmission of funds to the Holders of purchased Notes or otherwise.

Tendering Holders of Notes purchased in the Tender Offer will not be obligated to pay brokerage fees or commissions to Falabella, the Dealer Managers, the Information Agent or the Tender Agent or to pay transfer taxes with respect to the purchase of their Notes. However, such Holders may be obligated to pay commissions or other payments to their own brokers, custodians or other agents. We will pay all other charges and expenses in connection with the Tender Offer. See “Dealer Managers; Tender Agent; Information Agent.”

WITHDRAWAL OF TENDERS

Tenders of Notes may be validly withdrawn at any time at or prior to the Withdrawal Deadline, which is at 5:00 p.m., New York City time, on October 18, 2021. Any Notes that are tendered at or prior to the Withdrawal Deadline but not validly withdrawn at or prior to the Withdrawal deadline may not be withdrawn thereafter. Accordingly, Holders who tender their Notes after the Early Tender Date but on or prior to the Expiration Date, will not have a right to withdraw their Notes, unless otherwise required by applicable law.

Holders who wish to withdraw Notes tendered in the Tender Offer must give a properly transmitted “Request Message” through ATOP, which Request Message must be received by the Tender Agent prior to the Withdrawal Deadline, taking into account the procedures and deadlines of DTC. To be valid, a notice of withdrawal must specify the name of the person who tendered the Notes to be withdrawn (the “Depositor”), the name in which the Notes are registered (or, if tendered by book-entry transfer, the name of the participant in DTC whose name appears on the security position listing as the owner of such Notes or to whose account such Notes are credited), if different from that of the Depositor, a description of the Notes to be withdrawn and the aggregate principal amount of Notes to be withdrawn, or must otherwise comply with the requirements of DTC. Any notice of withdrawal (other than a notice transmitted through ATOP) must be signed by the Holder or be accompanied by evidence satisfactory to us that the person withdrawing the tender has the legal authority to withdraw such tender on behalf of the Holder. Holders may not rescind withdrawals of tendered Notes.

Withdrawal of a tender of Notes may only be accomplished in accordance with the foregoing procedures.

Notes validly withdrawn may thereafter be retendered at any time at or prior to the Withdrawal Deadline by following the procedures described under “Procedures for Tendering Notes.”

All questions as to the form and validity (including time of receipt) of any notice of withdrawal of a tender will be determined by us, in our sole discretion, which determination shall be final and binding. None of Falabella, the Tender Agent, the Information Agent, the Dealer Managers, the Trustee or any affiliate of any of them or any other person will be under any duty to give notification of any defect or irregularity in any notice of withdrawal of a tender or incur any liability for failure to give any such notification.

OTHER MATTERS

If we are delayed in our acceptance for purchase of any Notes, or payment for any Notes is delayed or we are unable to accept for purchase or payment is unable to be made for validly tendered Notes pursuant to the Tender Offer for any reason, then, without prejudice to our rights hereunder, tendered Notes may be retained by the Tender Agent on our behalf and may not be validly withdrawn (subject to Rule 14e-1 under the Exchange Act, which requires that the consideration offered be paid or the Notes deposited by or on behalf of the Holders be returned promptly after the termination or withdrawal of the Tender Offer).

CERTAIN TAX CONSEQUENCES

HOLDERS ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS IF SUCH HOLDERS TENDER THEIR NOTES IN THE TENDER OFFER, REGARDING, WITHOUT LIMITATION, THE CONSEQUENCES OF CHILEAN TAX LAWS AND THE TAX LAWS OF ANY APPLICABLE FOREIGN, STATE OR LOCAL JURISDICTION.

Certain Chilean Tax Considerations

The following discussion summarizes certain aspects of Chilean tax law, as currently in effect, that may be relevant to you if you are a Non-Resident Holder of Notes. This discussion does not purport to be a complete analysis of all the potential tax considerations. This summary is based on current provisions of the Chilean income tax law (the "Income Tax Law"), and Chilean tax authority regulations and rulings, all of which are subject to change. For this purpose, a "Non-Resident Holder of Notes" or "Foreign Holder" means either: (i) in the case of an individual, a person who is neither a resident nor domiciled in Chile (for purposes of Chilean taxation, (a) an individual is a resident of Chile if he or she has remained in Chile, interruptedly or not, for a period or periods that in total exceed 183 days within any twelve-month period and (b) an individual is domiciled in Chile if he or she resides in Chile with the actual or presumptive intent of staying in Chile notwithstanding the time resided in Chile (the intention will be determined according to the circumstances); or (ii) in the case of a legal entity, a legal entity that is not organized under the laws of Chile, unless the Notes are assigned to a branch, agent, representative or permanent establishment of an entity in Chile.

Under the Income Tax Law, payments of interest made by a Chilean resident/ the Company to a Non-Resident Holder of Notes will be subject to a Chilean interest withholding tax currently assessed at a rate of 4.0%. The Company is required to withhold, declare, and pay such withholding tax.

As described in the Indenture, the Company has agreed, subject to specific exceptions and limitations, to pay to the holders additional amounts in respect of the Chilean tax in order for the interest the Non-Resident Holder of Notes receives, net of the Chilean tax on interest income, to equal the amount which would have been received by the Non-Resident Holder of Notes in the absence of such withholding. Premiums payable in connection with the Tender Offer will be treated as interest and subject to the Chilean interest withholding tax, and the Company will pay additional amounts in respect of such Chilean tax in the same manner as described in the preceding sentence. Non-Resident Holders of Notes will not be subject to any Chilean withholding taxes in respect of payments of the portion of the purchase price corresponding to the outstanding principal amount of such Security made by a Chilean resident/ the Company with respect to the Notes.

The Income Tax Law provides that a Foreign Holder is subject to income tax on his Chilean source income. For this purpose, Chilean source income means earnings from activities performed in Chile or from the sale, disposition, or other transactions in connection with assets or goods located in Chile. For these purposes, Article 11 of the Income Tax Law, states that bonds and other private or public securities issued in Chile by taxpayers domiciled, resident or established in Chile will be deemed located in Chile. Pursuant to Rule No. 604 of 2015 issued by the Chilean tax authority, capital gains earned by a Foreign Holder on the sale or disposition of a note issued abroad by a Chilean company would not be deemed as Chilean source income. Therefore, any capital gains realized on the sale or other disposition by a Foreign Holder of the Notes generally should not be subject to any Chilean income taxes (except that any premium payable on redemption or purchase by the Company of the Notes will be treated as interest and subject to the Chilean interest withholding tax, as described above).

Certain U.S. Federal Income Tax Considerations

The following summary describes certain U.S. federal income tax consequences of the Tender Offer to U.S. holders (as defined below). This discussion applies only to Notes held as capital assets (within the meaning of Section 1221 of the Internal Revenue Code of 1986, as amended (the "**Code**")), and does not purport to be a complete analysis of all the potential tax considerations. This summary does not address any U.S. federal tax considerations other than income tax considerations (such as estate and gift tax considerations) or any state, local or non-U.S. tax considerations and does not discuss the Medicare tax on net investment income or the alternative

minimum tax. This summary is based on current provisions of the Code, and Treasury regulations, rulings and judicial decisions, all of which are subject to change (possibly with retroactive effect). This summary does not discuss all aspects of U.S. federal income taxation that may be relevant to particular investors in light of their individual circumstances and does not deal with taxpayers subject to special treatment under U.S. federal income tax law, such as:

- financial institutions;
- insurance companies;
- dealers or traders subject to a mark-to-market method of tax accounting in respect of the Notes;
- persons holding Notes as part of a hedge or other integrated transaction;
- persons whose functional currency is not the U.S. dollar;
- tax-exempt entities;
- entities classified as partnerships for U.S. federal income tax purposes and investors therein; and
- persons required for U.S. federal income tax purposes to conform the timing of income accruals with respect to the Notes to their financial statements.

If an entity treated as a partnership for U.S. federal income tax purposes holds Notes, the tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. If you are a partnership or a partner in a partnership holding Notes, you should consult your own tax advisor.

No ruling has been or will be sought from the Internal Revenue Service (the “**IRS**”) regarding any tax consequences relating to the matters discussed herein. Consequently, no assurance can be given that the IRS would not assert, or that a court would not sustain, a position contrary to any of those summarized below.

This summary of certain U.S. federal income tax consequences is for general information only and is not tax advice for any particular U.S. holder. U.S. holders should consult their own tax advisors concerning the U.S. federal income tax consequences in light of their particular situations, as well as any consequences with respect to tendering Notes under other U.S. federal tax laws or the laws of any state, local, non-U.S. or other taxing jurisdiction.

As used herein, the term “U.S. holder” means a beneficial owner of a Note that is for U.S. federal income tax purposes:

- (1) an individual who is a citizen or resident of the United States;
- (2) a corporation, or other entity taxable as a corporation, created or organized in or under the laws of the United States, any state thereof or the District of Columbia; or
- (3) an estate or trust the income of which is subject to U.S. federal income taxation regardless of its source.

Tendering U.S. Holders

The following discussion applies only to U.S. holders that tender (and do not validly withdraw) their Notes pursuant to the Tender Offer. This discussion furthermore does not address the possible consequences to U.S. holders who participate in both the Tender Offer and the New Notes Offering.

Sale of Notes Pursuant to the Tender Offer

In general, a U.S. holder who sells Notes pursuant to the Tender Offer will recognize gain or loss in an amount equal to the difference between (x) the amount realized by the U.S. holder in such sale (other than any portion attributable to Accrued Interest with respect to the Notes, which will be taxable separately as ordinary interest income to the extent not previously included in gross income) and (y) the U.S. holder's adjusted tax basis in such Notes. The amount realized generally is the amount of cash received by a U.S. holder pursuant to the Tender Offer, including any Early Tender Payment. A U.S. holder's adjusted tax basis in the Notes generally will be the original cost of the Notes to the U.S. holder increased by all market discount (as defined below) previously included in the U.S. holder's gross income, and decreased (but not below zero) by any amortizable bond premium that the U.S. holder has previously amortized. A amortizable bond premium generally is the excess of a U.S. holder's tax basis in a Note immediately after its acquisition over its principal amount, or in certain cases the U.S. holder's tax basis in a Note immediately after its acquisition over the price at which the Note may be redeemed by the issuer.

A U.S. holder's gain or loss generally will be treated as U.S.-source gain or loss and, subject to the market discount rules described below, constitute capital gain or loss, and will be long-term capital gain or loss if the U.S. holder's holding period for the Notes is more than one year. Under current law, long-term capital gains of certain non-corporate U.S. holders (including individuals) are eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations. Gain or loss will be computed separately for each Note sold by a U.S. holder.

In the case of a U.S. holder who acquired the Notes at a market discount, any gain recognized upon the sale of the Notes will constitute ordinary income to the extent of the market discount that accrued during the period the U.S. holder held the Note, unless the U.S. holder previously had elected to include such market discount in income as it accrued. Market discount on the Notes generally equals the excess of the principal amount of a Note upon purchase over the U.S. holder's initial tax basis in the Note, provided such excess is at least a statutory de minimis amount.

Interest income and market discount with respect to the Notes will generally be considered foreign-source income and will generally be characterized as passive category income for purposes of computing the foreign tax credits allowable to a U.S. holder.

Non-Tendering U.S. Holders of the Notes

A U.S. holder that does not tender its Notes will not recognize any gain or loss for U.S. federal income tax purposes and such U.S. holder will continue to have the same tax basis, holding period and accrued market discount (if any) with respect to such Notes.

Early Tender Payment

There is no binding authority addressing the U.S. federal income tax consequences of receiving the Early Tender Payment. We believe that the Early Tender Payment should be treated as additional consideration received from the sale of the Notes pursuant to the Tender Offer, in which case this amount will be taken into account in computing such U.S. holder's taxable gain or loss as described above. It is possible, however, that the Early Tender Payment could be treated as a separate fee, taxable as ordinary income (rather than as sale proceeds). U.S. holders should consult their own tax advisors regarding the U.S. federal income tax treatment of the Early Tender Payment.

Backup Withholding Tax and Information Reporting

In general, information reporting requirements will apply to payment of the Total Consideration or Tender Offer Consideration, as applicable, and Accrued Interest to U.S. holders. Backup withholding will apply to those payments that are subject to information reporting if the holder fails to provide certain identifying information (such as such holder's taxpayer identification number) to the payor. Certain U.S. holders (including, among others, some corporations) are not subject to these backup withholding requirements but may be required to provide evidence of their exemption from backup withholding. Backup withholding is not an additional tax; rather, any amounts so withheld may be credited against the U.S. federal income tax liability of a U.S. holder subject to backup withholding. If backup withholding results in an overpayment of U.S. federal income taxes, a refund or credit may be obtained from the IRS if the required information is properly furnished in a timely manner.

CERTAIN ERISA CONSIDERATIONS

The Employee Retirement Income Security Act of 1974, as amended (“ERISA”), and Section 4975 of the Code, prohibit certain transactions (“prohibited transactions”) involving the assets of (i) an employee benefit plan that is subject to the prohibited transaction provisions of Title I of ERISA or Section 4975 of the Code (including individual retirement accounts, Keogh plans and other plans described in Section 4975(e)(1) of the Code) and (ii) entities whose underlying assets are considered to include “plan assets” of any such plan, account or arrangement (each of the foregoing described in clauses (i) and (ii) being referred to herein as a “Plan”) and certain persons who are “parties in interest” (within the meaning of ERISA) or “disqualified persons” (within the meaning of the Code) with respect to the Plan.

The Company, the Dealer Managers, the Tender Agent, the Information Agent and/or certain of their respective affiliates may be considered a “party in interest” or a “disqualified person” with respect to many Plans, and, accordingly, prohibited transactions may arise if Notes are tendered by or on behalf of a Plan unless the Notes are tendered pursuant to an available exemption. In this regard the U.S. Department of Labor (the “DOL”) has issued prohibited transaction class exemptions that may apply to the tendering of the Notes. These exemptions include transactions effected on behalf of a Plan by a “qualified professional asset manager” (prohibited transaction exemption 84-14) or an “in-house asset manager” (prohibited transaction exemption 96-23), transactions involving insurance company general accounts (prohibited transaction exemption 95-60), transactions involving insurance company pooled separate accounts (prohibited transaction exemption 90-1), and transactions involving bank collective investment funds (prohibited transaction exemption 91-38). In addition, Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code provide relief from the prohibited transaction provisions of ERISA and Section 4975 of the Code for certain transactions, provided that neither the issuer of the securities nor any of its affiliates (directly or indirectly) have or exercise any discretionary authority or control or render any investment advice with respect to the assets of any Plan involved in the transaction and provided further that the Plan receives no less and pays no more than “adequate consideration” (within the meaning of Section 408(b)(17) of ERISA and Section 4975(f)(10) of the Code). There can be no assurance that any such exemptions will be available, or that all of the conditions of any such exemptions will be satisfied, with respect to the tendering of the Notes.

Governmental plans, certain church plans and non-U.S. plans may not be subject to the prohibited transaction provisions of ERISA or the Code but may be subject to similar laws (“Similar Laws”). Fiduciaries of any such plans should consult with counsel before tendering the Notes.

Because of the foregoing, the person making the decision on behalf of a Plan or a governmental, church or non-U.S. plan will be deemed, by tendering the Notes, to represent on behalf of itself and such Plan or plan that the tendering of the Notes will not constitute or result in a non-exempt prohibited transaction under ERISA or Section 4975 of the Code or violate any applicable Similar Law.

None of the Company, the Trustee, the Dealer Managers, the Tender Agent or the Information Agent, or any of their respective affiliates, is undertaking to provide impartial investment advice, or to give advice in a fiduciary capacity, in connection with the tendering of the Notes by any Plan or plan subject to any Similar Law.

The foregoing discussion is general in nature and is not intended to be all inclusive. Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions, it is particularly important that fiduciaries, or other persons considering the tendering or continued holding of the Notes on behalf of, or with the assets of, any Plan or plan subject to any Similar Law, consult with their counsel regarding the potential applicability of ERISA, Section 4975 of the Code and any Similar Laws to such decision and whether an exemption would be applicable to the tendering of the Notes.

DEALER MANAGERS; TENDER AGENT; INFORMATION AGENT

We have engaged Citigroup Global Markets Inc., Goldman Sachs & Co. LLC and J.P. Morgan Securities LLC to serve as the Dealer Managers in connection with the Tender Offer. We will reimburse the Dealer Managers for their reasonable out-of-pocket expenses. The obligations of the Dealer Managers to perform their functions are subject to various conditions. We have agreed to indemnify the Dealer Managers against various liabilities, including various liabilities under the federal securities laws. The Dealer Managers may contact holders of Notes by mail, telephone, facsimile transmission, personal interviews and otherwise may request broker dealers and the other nominee holders to forward materials relating to the Tender Offer to beneficial holders. Questions regarding the terms of the Tender Offer may be directed to the Dealer Managers or the Information Agent at their addresses and telephone numbers listed on the back cover page of this Offer to Purchase. At any given time, the Dealer Managers and their affiliates may trade Notes or other of our securities for their own accounts or for the accounts of their customers and, accordingly, may hold a long or short position in the Notes. To the extent the Dealer Managers or their affiliates own Notes during the Tender Offer, they may tender such Notes pursuant to the terms of the Tender Offer.

From time to time in the ordinary course of business, the Dealer Managers and their affiliates have provided us and our affiliates with investment banking and other services for customary compensation.

D.F. King & Co., Inc. has been appointed Tender Agent in connection with the Tender Offer. All deliveries and correspondence sent to the Tender Agent should be directed to the address set forth on the back cover of this Offer to Purchase. We have agreed to pay the Tender Agent reasonable and customary fees for its services and to reimburse the Tender Agent for its reasonable out-of-pocket expenses in connection therewith. We have also agreed to indemnify the Tender Agent for certain liabilities, including liabilities under the federal securities laws.

D.F. King & Co., Inc. has also been appointed Information Agent in connection with the Tender Offer. Requests for additional copies of documentation may be directed to the Information Agent at the address set forth on the back cover of this Offer to Purchase.

The Dealer Managers are acting as initial purchasers in the New Notes Offering. The Dealer Managers may trade, or hold a long or short position in, the New Notes to be issued under each New Notes Offering or other debt securities of Falabella for their own accounts or for the accounts of their customers at any given time, and the Dealer Managers may participate in the Tender Offer by submitting one or more offers on its own behalf or on behalf of clients. In addition, in the ordinary course of their business activities, the Dealer Managers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of Falabella or its affiliates. If any of the Dealer Managers or their affiliates has a lending relationship with Falabella, certain of those Dealer Managers or their affiliates routinely hedge, and certain other of those Dealer Managers or their affiliates may hedge, their credit exposure to Falabella consistent with customary risk management policies. Typically, such Dealer Managers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in Falabella's securities. Any such credit default swaps or short positions could adversely affect future trading prices of any issuance of notes by Falabella. The Dealer Managers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

None of the Dealer Managers, the Tender Agent or the Information Agent nor any affiliate of any of them assumes any responsibility for the accuracy or completeness of the information concerning Falabella, or any of their respective subsidiaries or affiliates, contained or incorporated by reference in this Offer to Purchase, or for any failure by Falabella to disclose events that may have occurred after the date of this Offer to Purchase that may affect the significance or accuracy of this information.

None of Falabella, the Tender Agent, the Information Agent, the Dealer Managers, the Trustee or any affiliate of any of them makes any recommendation as to whether or not Holders should tender Notes pursuant to the Tender Offer. Each Holder must decide whether to tender Notes and, if tendering, the amount of Notes to tender. Holders are urged to review carefully all information contained or incorporated by reference in the Offer Documents.

In connection with the Tender Offer, our directors and officers and regular employees (who will not be specifically compensated for such services) may solicit tenders by use of the mails, personally or by telephone. We will also pay brokerage houses and other custodians, nominees and fiduciaries the reasonable out-of-pocket expenses incurred by them in forwarding copies of this Offer to Purchase and related documents to the beneficial owners of the Notes and in handling or forwarding tenders of Notes by their customers.

MISCELLANEOUS

We are not aware of any jurisdiction where the making of the Tender Offer is not in compliance with the laws of such jurisdiction. If we become aware of any jurisdiction where the making of the Tender Offer would not be in compliance with such laws, we will make a good faith effort to comply with any such laws or may seek to have such laws declared inapplicable to the Tender Offer, provided that if, in Falabella's reasonable judgment, such effort or action might result in a delay in, extension of or other modification of the terms of the Tender Offer, no such effort or action will be required. If, after a good faith effort (if applicable), we cannot comply with any such applicable laws, the Tender Offer will not be made to (nor will tenders be accepted from or on behalf of) the Holders of Notes residing in each such jurisdiction.

The Tender Agent for the Tender Offer is:

D.F. King & Co., Inc.

*By Registered or Certified Mail, By Overnight Courier or
By Hand:*

48 Wall Street
New York, NY 10005

By Facsimile (For Eligible Institutions Only):
(212) 709-3328

For information:

Banks and Brokers call: (212) 269-5550

Toll-Free: (800) 669-5550

Email: falabella@dfking.com

Any questions regarding the terms of the Tender Offer may be directed to the Dealer Managers and requests for additional copies of this Offer to Purchase may be directed to the Information Agent at their respective telephone numbers and locations listed below. You may also contact your broker, dealer, commercial bank, trust company or other nominee for assistance concerning the Tender Offer. Copies of the Offer to Purchase are available for Holders at the following web address: www.dfking.com/falabella.

The Information Agent for the Tender Offer is:

D.F. King & Co., Inc.

Banks and Brokers call: (212) 269-5550

Toll-Free: (800) 669-5550

By Facsimile (For Eligible Institutions Only):
(212) 709-3328

Confirmation:

(212) 232-3223

By Mail, By Hand and Overnight Courier:

48 Wall Street

New York, NY 10005

Email: falabella@dfking.com

The Dealer Managers for the Tender Offer are:

Citigroup Global Markets Inc.
388 Greenwich Street, 4th Fl. Trading
New York, New York 10013
U.S. Toll Free: +1 (800) 558-3745
Collect: +1 (212) 723-6106
Attention: Liability Management
Group

Goldman Sachs & Co. LLC
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