

Ripley Corp July 2018

Over 60 Years of History





Ripley by Segments

Ripley Corp

- Revenues: MMM$1,677
  - *MMUSD 2,583*
- EBITDA: MMM$163
  - *MMUSD 251*
- Market Cap: MMM$1,181
  - *MMUSD 1,819*
- Employees: 24,209

Retail

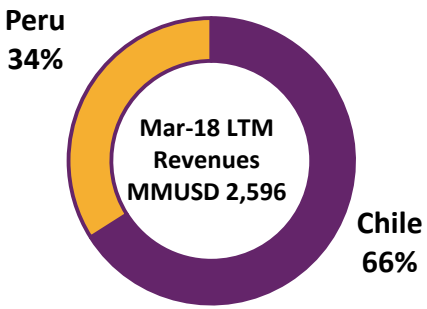
- Revenues: MMM$1,215
  - *MMUSD 1,871*
- EBITDA: MMM$38
  - *MMUSD 59*
- 75 stores(1)
- 480,637m²
- Online channel: + 40% YoY

Banking

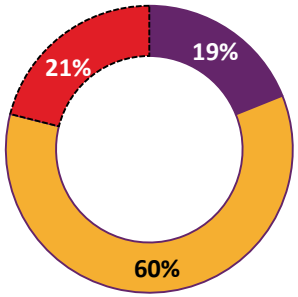
- Revenues: MMM$446
  - *MMUSD 687*
- EBIT: MMM$66
  - *MMUSD 101*
- Loan Portfolio: MMM$1,173
  - *MMUSD 1,806*
- 85 branches
- 1,760 (Th) cards w/debt

Real Estate

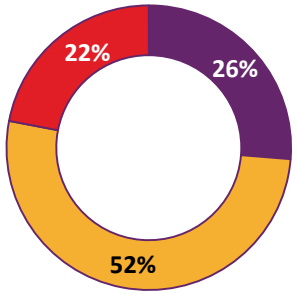
- Revenues: MMM$25
  - *MMUSD 39*
- Investment: MMM$509
  - *MMUSD 783*
- EBITDA(2): MMM$ 43
  - *MMUSD 66*
- 12 malls(1)
- GLA: 319,925 m² owned



Referential EBITDA(2)



Assets



Notes: Ripley's functional currency is Chilean pesos. However for referential purposes, all amounts throughout the presentation are represented in USD at a fixed rate of 650 CLP/USD
Data LTM as of March 2018. Segment details do not consider central offices Corp, Chile nor Peru.
(1) Figures do not consider Mall Plaza Arica and Ripley Arica store opened during the month of April 2018
(2) Referential EBITDA considers the proportional EBITDA from non-consolidating investments (12%).

Ripley by Country

Ripley Chile

Retail

- 46 stores(1)
- 287,753 m²
- EBITDA: MMM$29
  - *MMUSD 45*

Banking

- Loan Portfolio: MMM$840
  - *MMUSD 1,293*
- 1,291 (Th) cards w/debt
- EBIT: MMM$45
  - *MMUSD 69*

Real Estate

- 10 malls(1)
- Investment: MMM$335
  - *MMUSD 516*
- EBITDA(1): MMM$30
  - *MMUSD 47*

Ripley Peru

Retail

- 29 stores
- 192,884 m²
- EBITDA: MMM$9
  - *MMUSD 14*

Banking

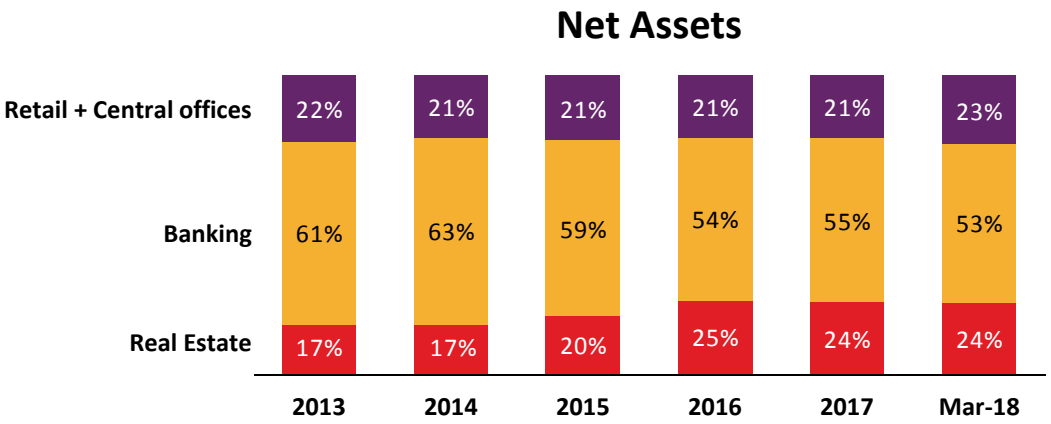
- Loan Portfolio: MMM$333
  - *MMUSD 513*
- 469 (Th) cards w/debt
- EBIT: MMM$21
  - *MMUSD 32*

Real Estate

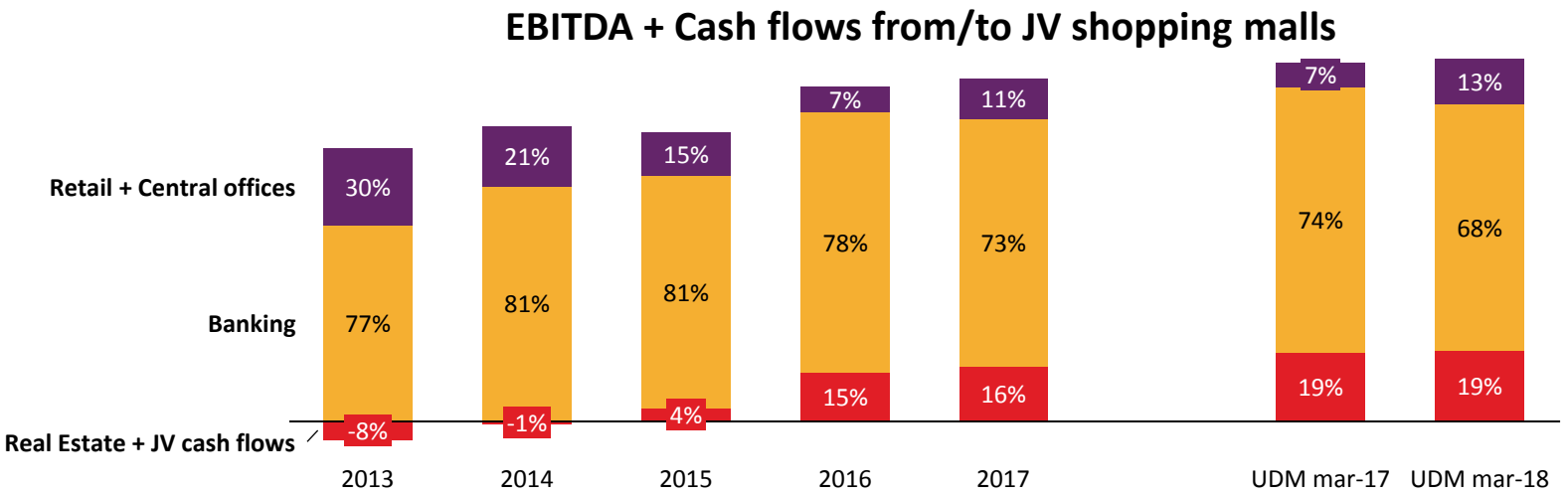
- 2 malls
- Investment: MMM$174
  - *MMUSD 268*
- EBITDA: MMM$12
  - *MMUSD 19*

Notes: *Data LTM as of March 2018. Segment details do not consider central offices Corp, Chile nor Peru.*
(1) Figures do not consider Mall Plaza Arica and Ripley Arica store opened during the month of April 2018.

Diversified Net Assets Structure Evolution



Positive Operational Performance Evolution



Note: *Amounts do not include operation in Colombia. EBITDA: EBIT + Depreciation + amortization + interest expenses. LTM mar-18 Real Estate dividends consider the dividend from IMVM given in april-2018, for comparison purposes.*

Investment Considerations

1. Over 60 years of experience in the retail industry in Chile and 20 years of experience in Peru, with vast knowledge of our clients and their purchase behavior
2. Continuous omnichannel development through strengthening the digitalization and e-Commerce channels in the retail and banking businesses
3. Profitable and low leveraged banking businesses, strongly integrated with the retail business and regulated by the SBIF(1) in Chile and SBS(1) in Peru
4. Stores in the best locations, along with modern distribution centers, allow the development of the retail business
5. Real Estate business with investments in various shopping centers, in the best locations and with projects at different levels of maturity
6. Solid financial stance with a healthy composition and controlled leverage indicators

(1) SBIF: Superintendence of banking and financial institutions; SBS: Superintendence of banking, insurance and pension funds.

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2 **Banking Business**

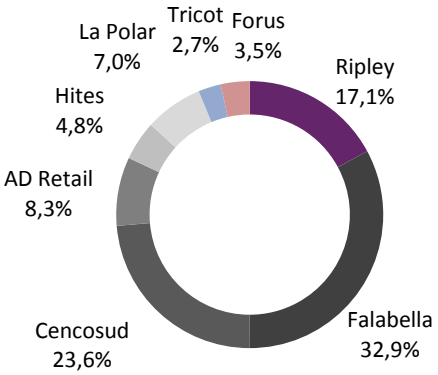
3 **Real Estate Business**

Retail Business

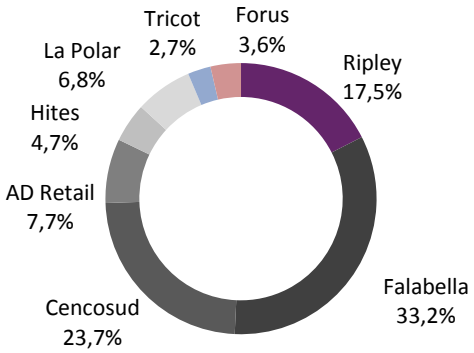
Wide presence in Chile and Peru, with leadership in both countries

Chile

Market-share LTM mar-17 (1)

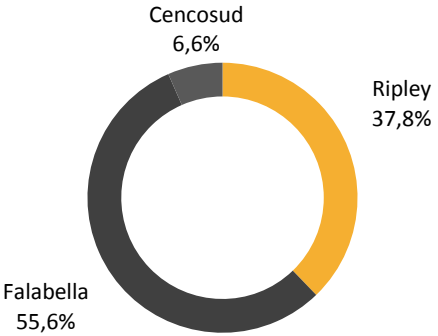


Market-share LTM mar-18 (1)

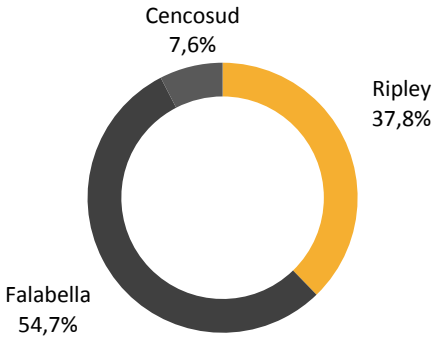


Peru

Market-share LTM mar-17 (2)



Market-share LTM mar-18 (2)

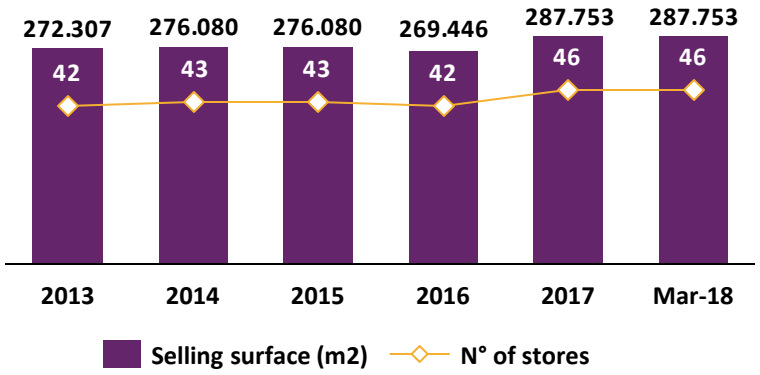


80% of our selling surface is located in **main shopping centers** in **major cities**

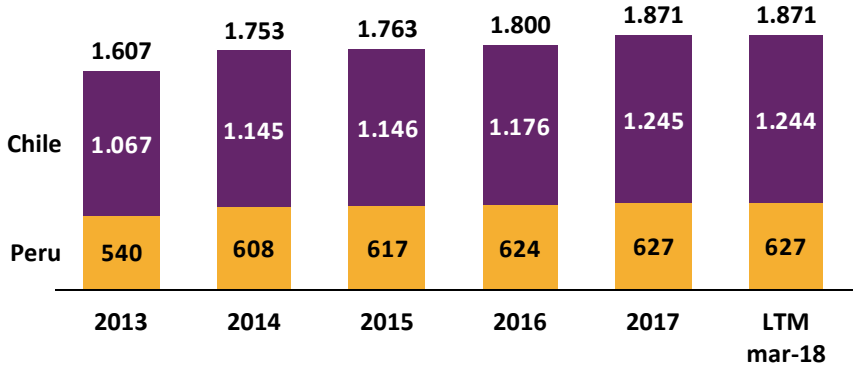
(1) Market-share calculated based on LTM mar-18 revenues, from companies with public information.
(2) Does not consider Oechsle and other minor retailers since information is not publicly available.

Retail Business

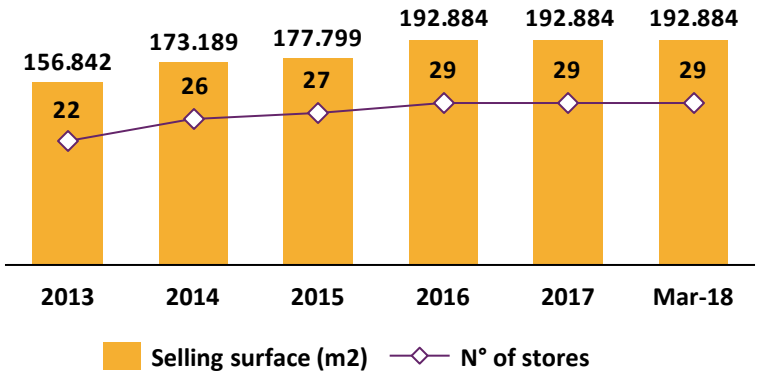
Selling surface Chile



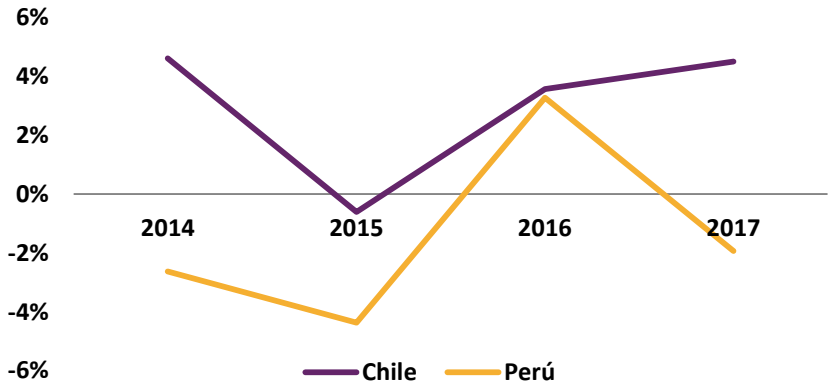
Sales evolution *(MMUSD)*



Selling surface Peru



SSS Evolution



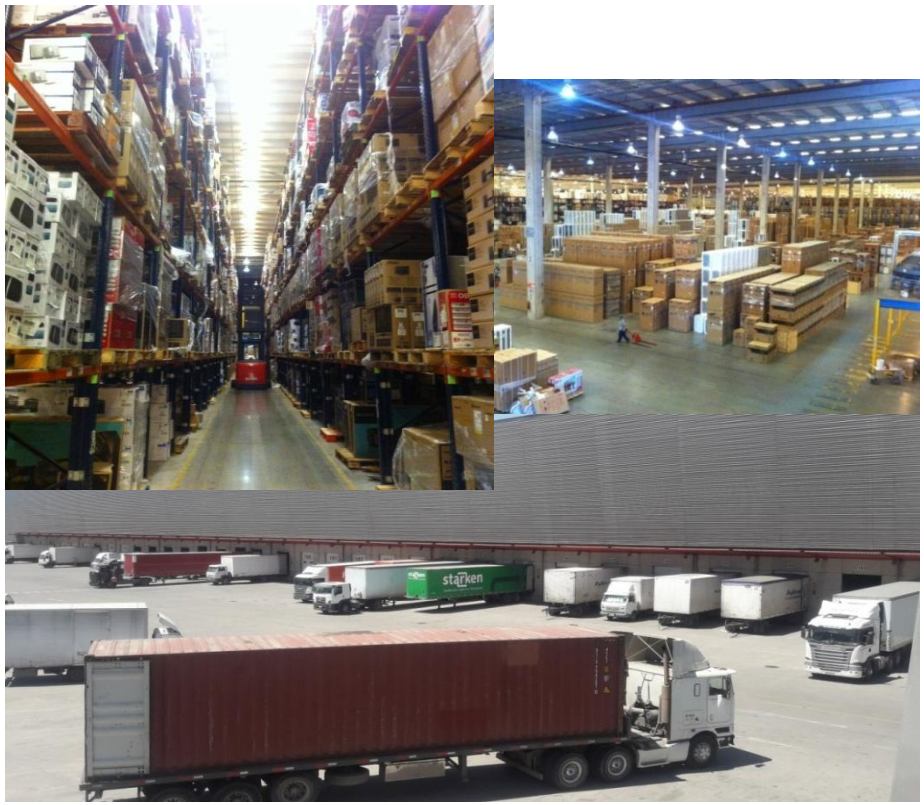
Controlled growth of our selling surface

Retail Business

Large logistic infrastructure in place

Ripley Chile's distribution center has a surface of 67,000 m2. Meanwhile, Ripley Peru's distribution center has a surface of 45,000 m2

Both distribution centers have growth potential for the online and physical channels



Stores in the best locations, along with self-sufficient distribution centers, allow the development of the retail business

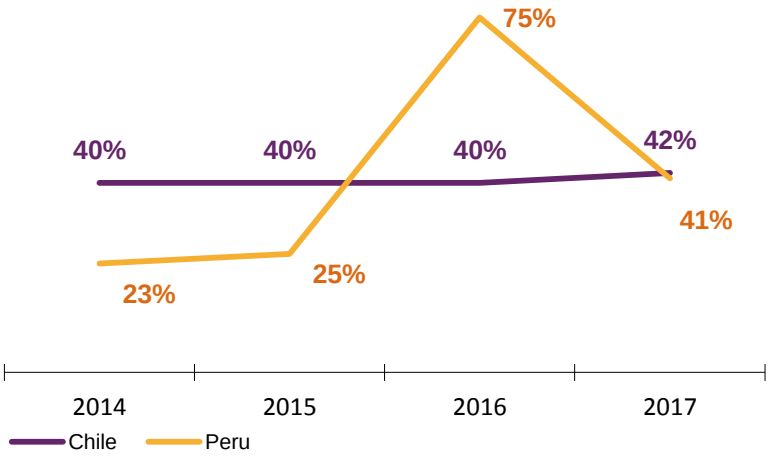
e-Commerce Business and Omnichannel Experience

- Greater emphasis in omnichannel experience and digitalization
  - Online virtual assistant, Mobile POS, Mobile apps
- MercadoRipley.com (Ripley's Marketplace) allows third parties to sell their products through Ripley's website
- Millions of visits to Ripley's website in Chile and Peru

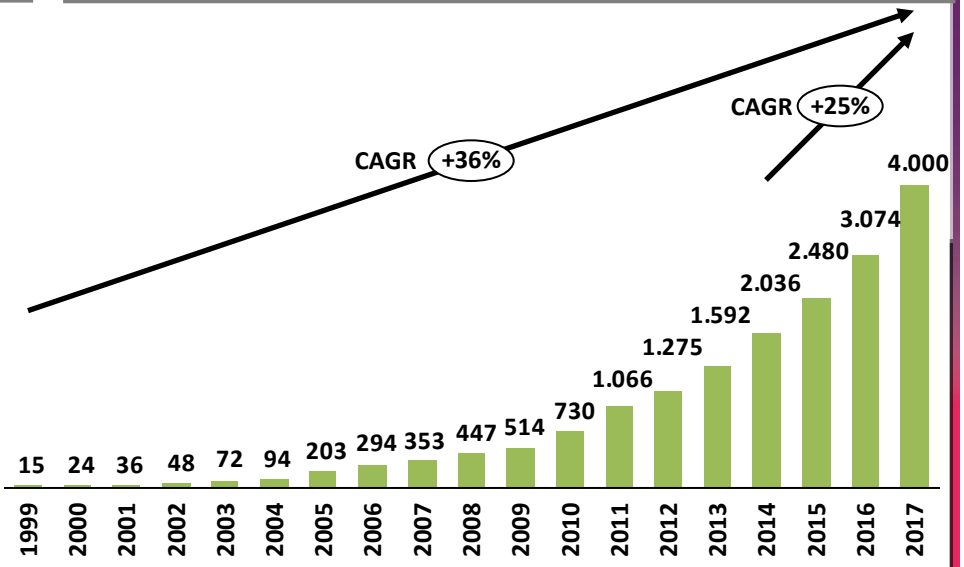
Awards



e-Commerce sales evolution



B2C e-Commerce* in Chile 1999 – 2017 *(MMUSD)



Source: *Ripley Corp, Estimates from Santiago's Chambers of Commerce. CAGR: compound annual growth rate.*

Retail Business

What we have been working on:

- Increase traffic on our online and physical stores
  - *Marketplace* + Ripley.com (growing product availability)
  - Logistics
  - Entertaining store







Hola, soy Eva, cuéntame en qué te puedo ayudar? :)

- Development of omnichannel and digital experience
  - Online virtual assistant
  - Omnichannel new tools
  - Mobile retail apps







- Emphasis in fashion & private brands

- Positioning of Ripley brand beyond retail
  - Success in high impact social campaigns
    - Women relevance
    - Chile's Telethon / social commitments
    - Anti-bullying



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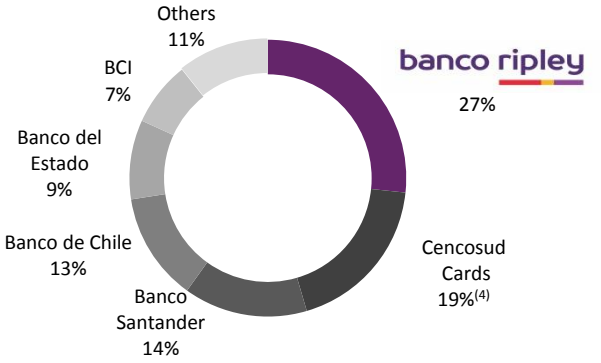
Banking Business

Chile

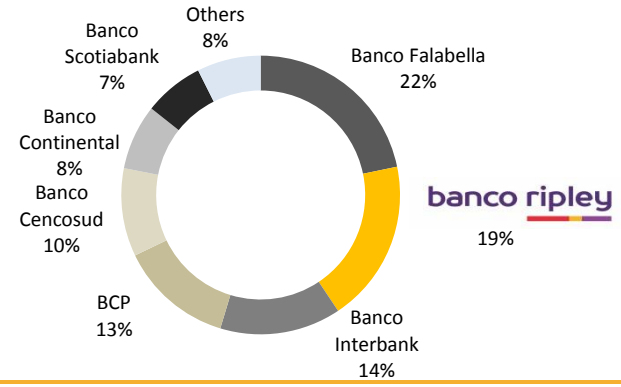
Credit cards market-share(1)



- **50** branch offices
- **#1** in credit card market-share
- **#4** in the banking industry of credit card loans
- **3,8%** ROA, the highest in the banking industry

Peru

Credit cards market-share(1)



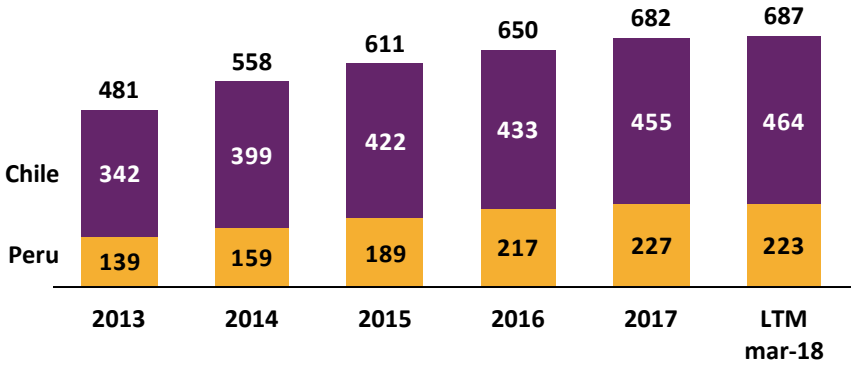
- **35** branch offices
- **#2** in credit card market-share
- **3,3%** ROA, second highest in the banking industry

Source: SBIF and SBS, last available data.

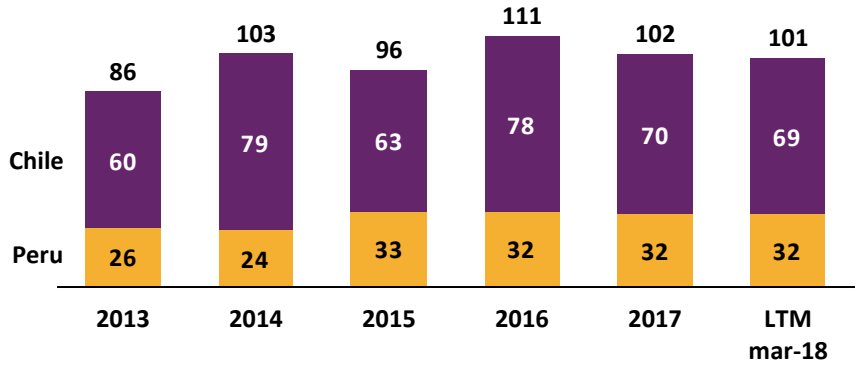
(1) As a percentage of the total credit cards in the industry.

Banking Business

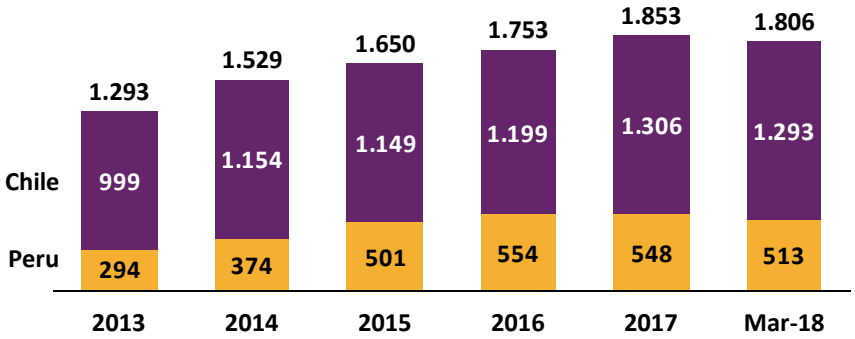
Revenues *(MMUSD)*



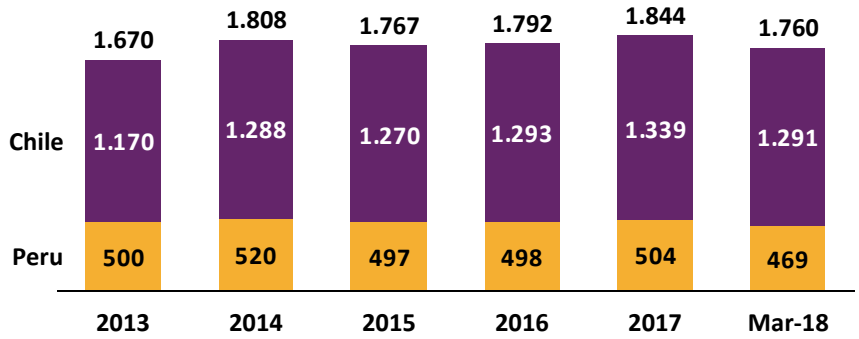
EBIT *(MMUSD)*



Loan Portfolio *(MMUSD)*

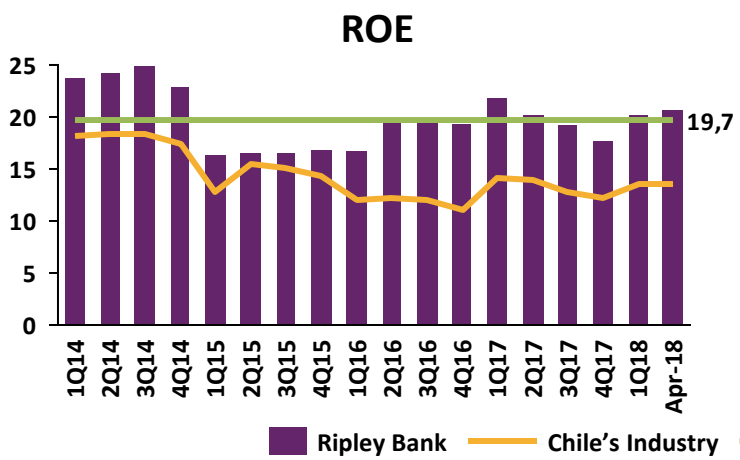


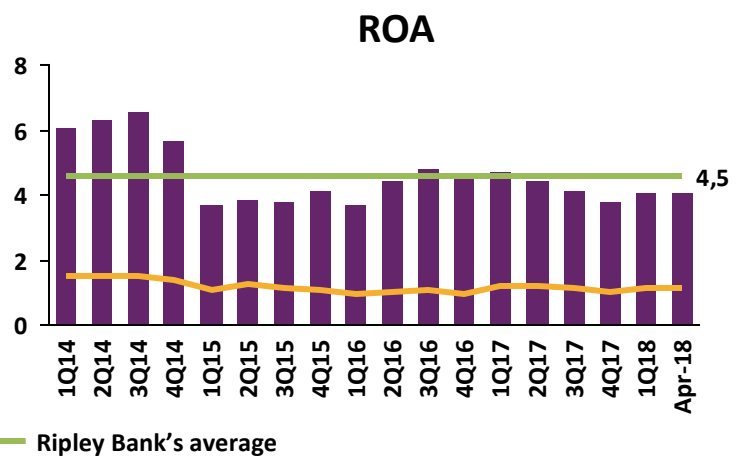
Cards w/debt

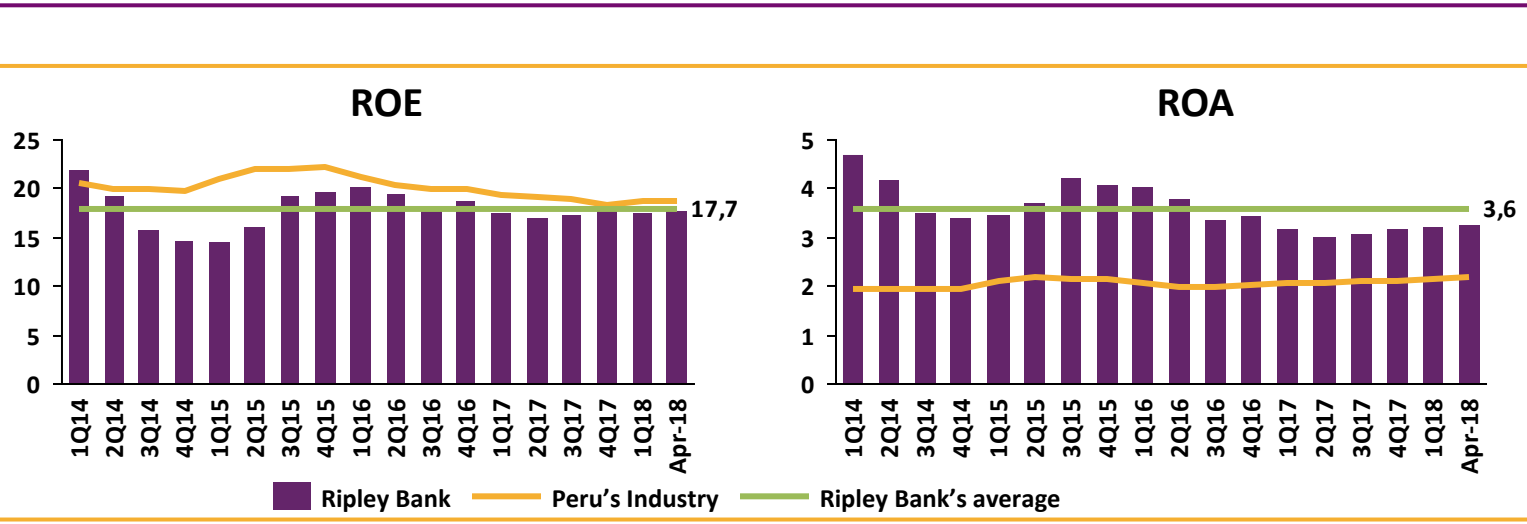


Banking Business

Chile







Peru

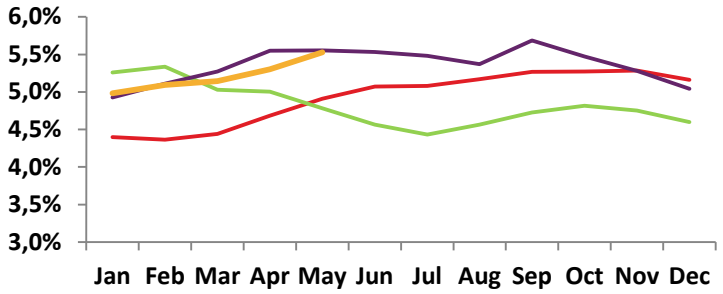
Profitable business with low leverage and highly integrated with the retail business

Note: *According to the information presented by the regulators SBIF in Chile and SBS in Peru*

Banking Business

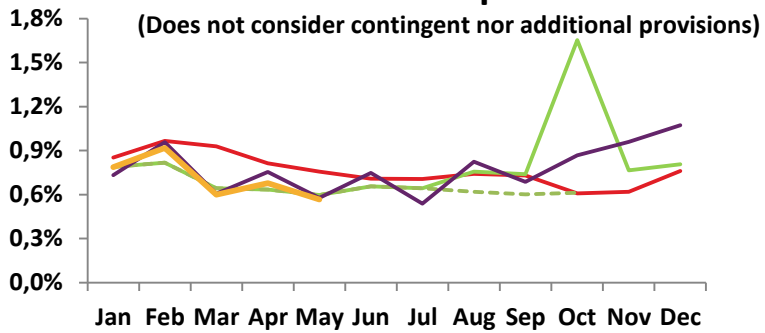
Chile

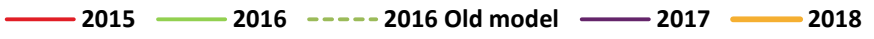
Over 90 days NPLs



Provision expenses(1)

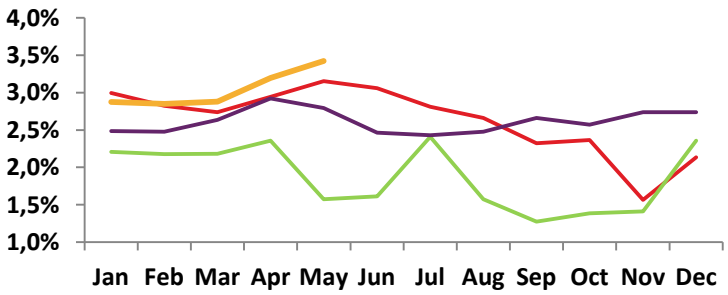
(Does not consider contingent nor additional provisions)



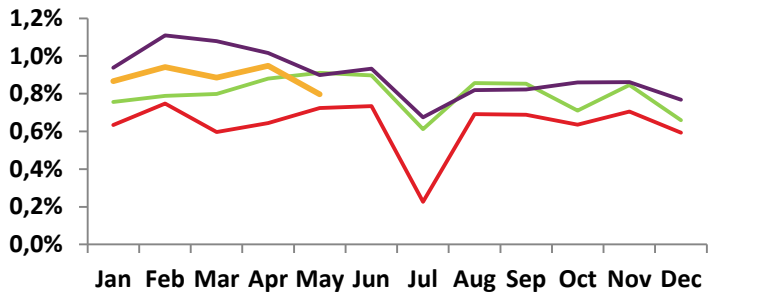


Peru

Over 90 days NPLs



Provision expenses



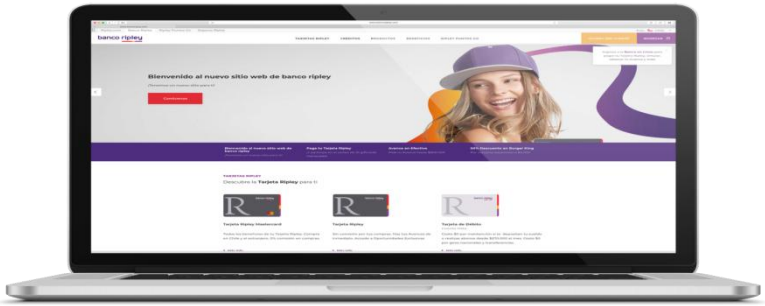


Healthy risk indicators in a more defiant macroeconomic scenario

(1) In October 2016, Ripley Bank Chile changed its risk provisions model aligning it to the SBIF definitions.

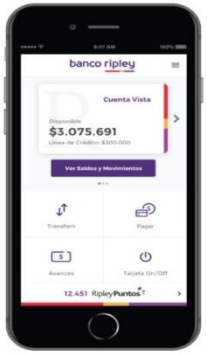
Banking Business

What we have been working on:



- Digitalization
  - New Home Banking
  - Banking App





- Loyalty programs
  - *Puntos Go*
  - Growing number of alliances

- Growth of loan portfolio and cards, maintaining risk under control

- Increase preference and use
  - Launch of current accounts and debit cards
  - Growth of Ripley's credit card outside Ripley store

RipleyPuntos GO



Banking Business

From Credit cards business



To **Simple & Client-oriented bank**



Putting clients and co-workers at the center of the bank's strategy…

1. **Understanding** Clients
2. **Connecting** With clients
3. **Managing experience** through simplicity

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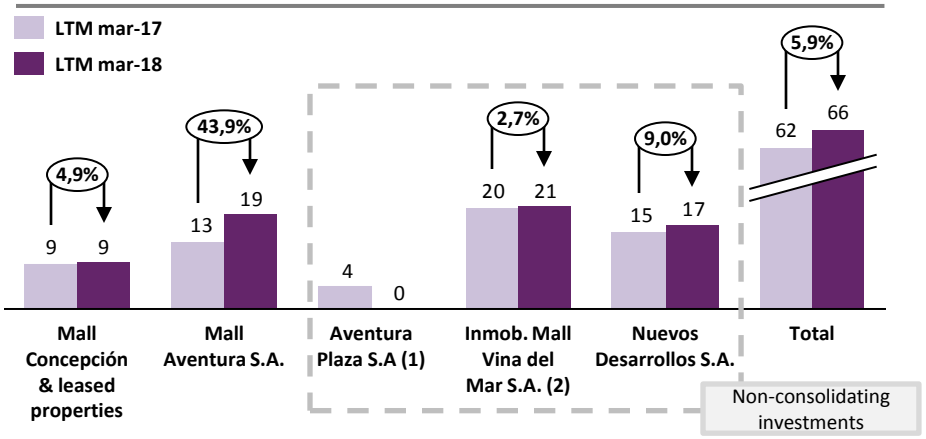
Real Estate Business: Shopping Malls

Strength of the segment and its solid evolution

EBITDA LTM mar-18 *(MMUSD)*



Ripley Corp's ownership in real estate businesses (mar-18)

	Ownership	Country	Investment[3] *(MMUSD)*	EBITDA LTM[3] *(MMUSD)*	Net Income LTM[3] *(MMUSD)*	2018 GLA[3] (m2)	2018 Malls	2017 GLA[3] (m2)	2017 Malls
Mall Concepcion & leased properties	100%	Chile	115	9	8	36,800	1	26,000	1
Nuevos Desarrollos S.A. [4]	22.5%	Chile	226	17	38	97,425	7	76,605	6
Inm. Vina del Mar S.A.	50%	Chile	174	21	18	59,700	2	58,500	2
Mall Aventura S.A.	100%	Peru	268	19	17	126,000	2	122,900	2
Total			**783**	**66**	**81**	**319,925**	**12**	**284,005**	**11**

More Details about the investments in the appendix.

(1) On July 2016, the division of Aventura Plaza S.A. was executed and Ripley began to consolidate the operation of Mall Aventura S.A.

(2) On April 2016 Ripley's ownership of Inm. Mall Vina del Mar came up to 50% after the purchase of an extra 16.67% of it.

(3) Amounts equivalent to the total of assets weighed by the percentage of Ripley Corp's ownership.

(4) During the month of April the eight mall of Nuevos Desarrollos S.A. was opened in Arica.

Real Estate Business

What we have been working on:



- Recent openings (Chile):
  - Mall Concepcion → Office building (GLA 10,975 m2)
  - Nuevos Desarrollos → Mall Los Dominicos (GLA 93,000 m2)
  - → Mall Arica (GLA 34,000 m2)



- Existing mall expansions (Chile):
  - Inmobiliaria Mall Vina del Mar
    - Marina Arauco (opening 2H18) (GLA 27,000 m2)
    - Curico (opening 2H18) (GLA 8,000 m2)
  - Mall Aventura (Peru)
    - Arequipa (opening 2H18) (GLA 7,000 m2)
    - Santa Anita (opening 1H19) (GLA 30,000 m2)





- Projects under evaluation in Mall Aventura (Peru):
  - Iquitos (opening 2H21) (GLA 52,000 m2)
  - San Juan de Lurigancho (opening 2H21) (GLA 64,000 m2)

Note: *Estimated opening dates.*

Appendix

Recent Highlights

- Campaign against bullying in schools achieved a high social impact





- E-Commerce Award to the Best Mobile Initiative in Chile

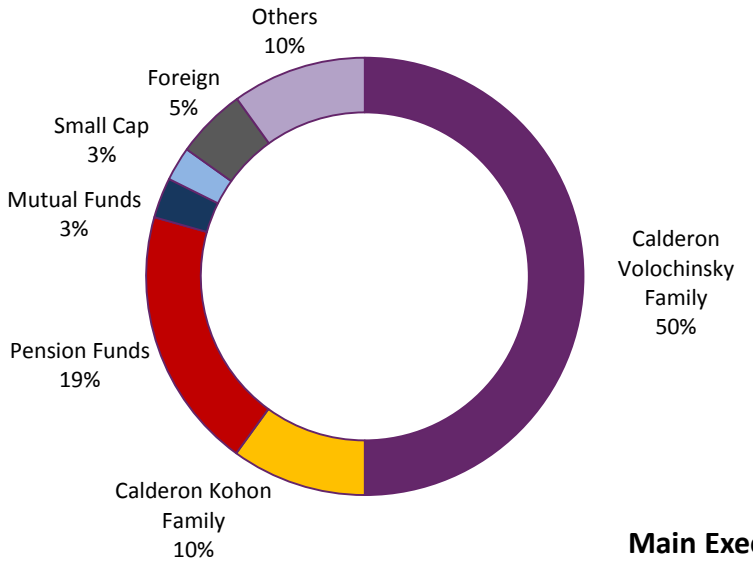


- Ripley Corp and Ripley Chile were recently upgraded to **A+ (cl)**, domestic rating

Shareholders and Management

Involved shareholders and an executive team with vast experience

Shareholders (jun-18)



Board Members

Name	Position	Years in Ripley
Felipe Lamarca	President	13
Michel Calderon	Vice-president	22
Mauricio Balbontin	Director	1
Debora Calderon	Director	7
Andres Calderon	Director	23
Veronica Edwards	Director	7
Laurence Golborne	Director	4
Alejandro Rosemblatt	Director	1
Hernan Uribe	Director	14

Main Executives (1)

RIPLEY CORP CEO
Lazaro Calderon
35 years of experience

CFO
Rafael Ferrada
Exp:2 years

CORPORATE VP
Sergio Hidalgo
Exp: 35 years

COMPTROLLER
Miguel Nuñez
Exp: 7 years

CORPORATE RETAIL CEO
Francisco Irrarazaval
Exp: 7 years

RIPLEY BANK CHILE CEO
Alejandro Subelman
Exp: 3 years

RIPLEY BANK PERU CEO
Rene Jaime
Exp: 4 years

MALL AVENTURA CEO
Javier Postigo
Exp: 10 years

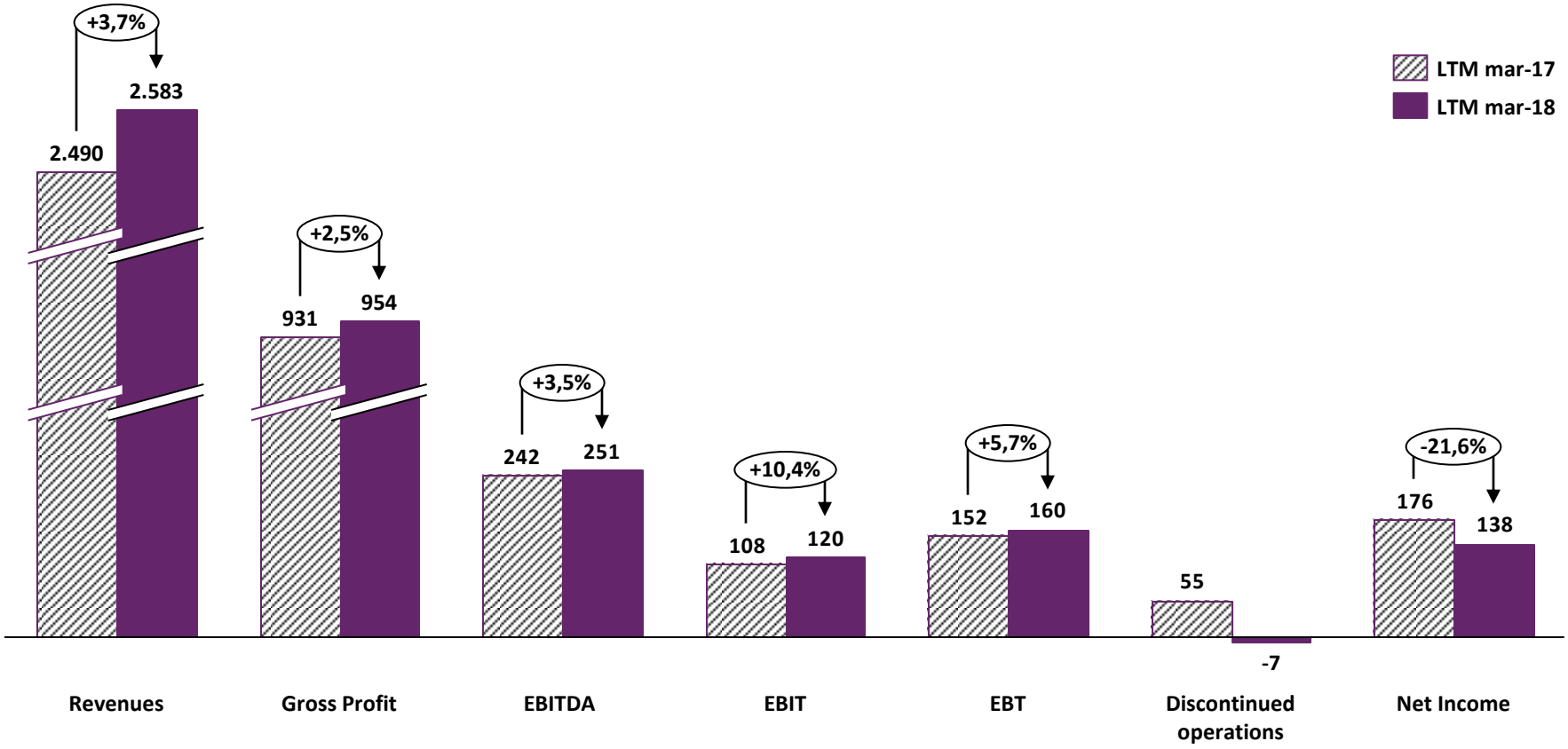
(1) Years in Ripley Corp.

Ripley Corp's 1Q18 Results Summary

- Net Income reached MMM$10 *(MMUSD 16)*, +65,1%, meanwhile operational result rose 26,9%:
  - Significant improvement in Peru's operational performance
  - Lower level of purchases made by foreigners in retail in Chile
  - Greater SG&A efficiencies at a corporate level
  - Strength of the real estate segment
  - Depreciation of the PEN (-6.7%)

RIPLEY CORP	Accumulated (MMS)			Accumulated *(MMUSD)*		
(amounts in MMUSD)	3M18	3M17	Var %	3M18	3M17	Var %
Total Revenues	372,663	370,419	0.6%	574	570	0.6%
Gross Profit	141,206	137,497	2.7%	217	212	2.7%
SG&A	(128,545)	(127,518)	0.8%	(198)	(196)	0.8%
EBIT	12,661	9,979	26.9%	19	15	26.9%
Income/loss before taxes	**11,687**	**8,004**	**46.0%**	**18**	**12**	**46.0%**
Income/loss from continued operations	10,024	6,310	58.8%	15	10	58.8%
Income/loss from discontinued operation	-	(179)		-	(0)	
Non-controlling interest	1	(2)		0	(0)	
Net Income	**10,126**	**6,134**	**65.1%**	**16**	**9**	**65.1%**
EBITDA	**32,742**	**31,216**	**4.9%**	**50**	**48**	**4.9%**

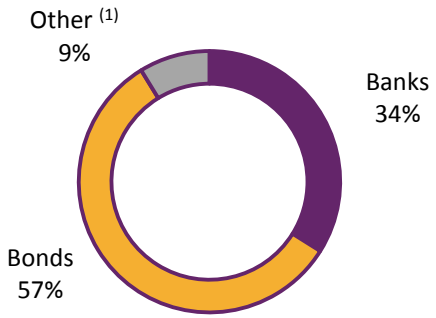
March-18 LTM Results *(MMUSD)*



Leverage

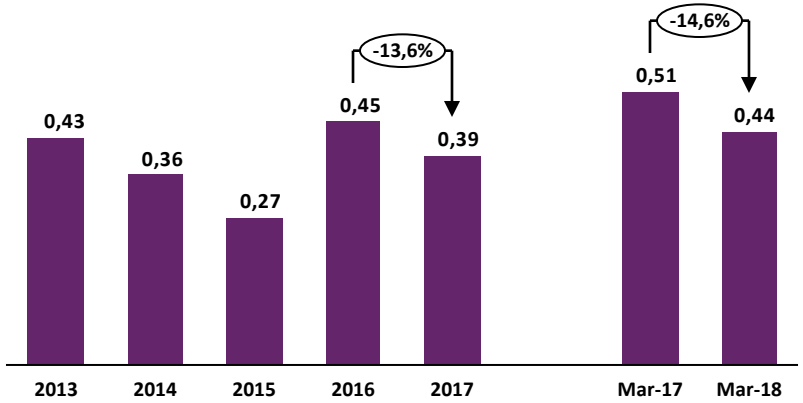
Non-banking businesses: Financial Debt Decomposition (mar-18)

Excludes banking businesses



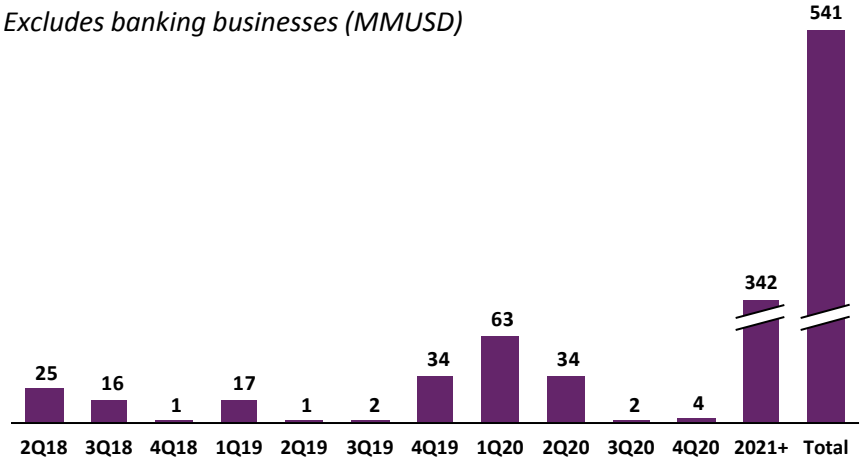
Non-banking businesses: NFD / Equity

Excludes banking businesses



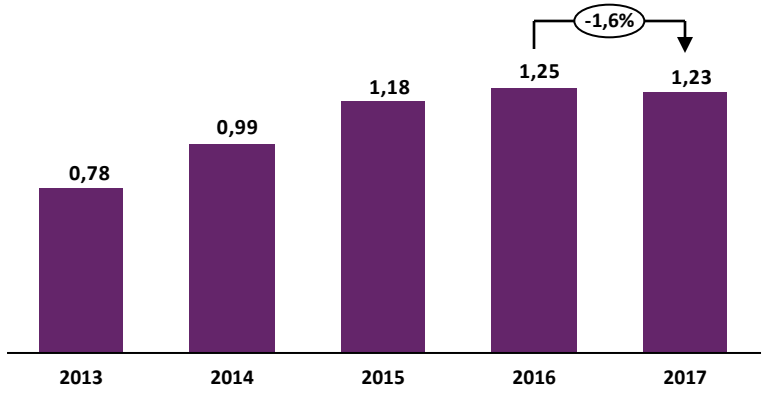
Non-banking businesses: Debt calendar(2)

Excludes banking businesses (MMUSD)



Ripley Corp: NFD / Equity Ripley Corp

Includes all Ripley Corp's businesses



(1) Includes hedging liabilities and financial leasings.
(2) Considers only capital, jun-18.

Real Estate Business

	Ownership	Country	GLA[(1)] (m^2)
Mall Concepcion & leased properties	**100%**	**Chile**	**36,800**
Nuevos Desarrollos S.A. [(1)]	**22.5%**	**Chile**	**97,425**
Mall Plaza Alameda	*22.5%*		*59,100*
Mall Plaza Sur	*22.5%*		*76,900*
Mall Plaza Mirador Bio Bio	*22.5%*		*45,000*
Mall Las Americas	*21.0%*		*24,000*
Mall Plaza Egana	*22.5%*		*92,000*
Mall Plaza Copiapo	*22.5%*		*46,100*
Mall Plaza Los Dominicos	*22.5%*		*91,500*
Inm. Vina del Mar S.A.	**50%**	**Chile**	**59,700**
Marina Arauco	*50%*		*70,000*
Mall del Centro de Curico	*50%*		*49,400*
Mall Aventura S.A.	**100%**	**Peru**	**126,000**
Mall Aventura Arequipa	*100%*		*68,600*
Mall Aventura Santa Anita	*100%*		*57,400*
Total			**716,800**
Total Ripley			**319,925**

(1) During the month of April the eight mall of Nuevos Desarrollos S.A. was opened in Arica(22.5% owned by Ripley), which has 34.000 m2 of GLA.

Disclaimer

This presentation contains forward-looking statements, including statements regarding the intent, belief or current expectations of the Company and its management. Investors are cautioned that any such forward-looking statements are not guarantee of future performance and involve a number of risks and uncertainties including, but not limited to, the risks detailed in the company's financial statements, and the fact that actual results could differ materially from those indicated by such forward-looking statements.

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