

2017010011918

19/01/2017 09:04 Operador: PFRANCO  
DIVISIÓN CONTROL FINANCIERO VALORES

Señor  
Carlos Pavez Tolosa  
Superintendente  
Superintendencia de Valores y Seguros  
Presente

**Ref.: Envía Presentación Informativa que indica de SMU S.A.**

De nuestra consideración:

En virtud de lo dispuesto en la Ley N° 18.045 y en la Norma de Carácter General N° 30 y Norma de Carácter General N° 242 de la Superintendencia de Valores y Seguros, vengo en acompañar presentación informativa destinada a difundir la colocación de acciones de pago de SMU S.A. inscritas en esa Superintendencia bajo el número de registro 1042, con fecha 29 de julio de 2016.

Desde ya quedamos a su disposición para aclarar o complementar cualquier información que Ud. estime necesaria.

Sin otro particular, lo saluda muy atentamente,



**MAURICIO HALPERN A.**  
FISCAL  
SMU S.A.





**SMU**



# INVESTOR PRESENTATION

JANUARY 2017

CONFIDENTIAL

# DISCLAIMER

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SEÑOR INVERSIONISTA:

ANTES DE EFECTUAR SU INVERSIÓN USTED DEBERÁ INFORMARSE CABALMENTE DE LA SITUACIÓN FINANCIERA DE LA SOCIEDAD EMISORA Y DEBERÁ EVALUAR LA CONVENIENCIA DE LA ADQUISICIÓN DE ESTOS VALORES.

EL INTERMEDIARIO DEBERÁ PROPORCIONAR AL INVERSIONISTA LA INFORMACIÓN CONTENIDA EN EL PROSPECTO PRESENTADO CON MOTIVO DE LA SOLICITUD DE INSCRIPCIÓN AL REGISTRO DE VALORES, ANTES DE QUE EFECTÚE SU INVERSIÓN.

LA INFORMACIÓN CONTENIDA EN ESTA PUBLICACIÓN ES UNA BREVE DESCRIPCIÓN DE LAS CARACTERÍSTICAS DE LA EMISIÓN Y DE LA ENTIDAD EMISORA, NO SIENDO ÉSTA TODA LA INFORMACIÓN REQUERIDA PARA TOMAR UNA DECISIÓN DE INVERSIÓN. MAYORES ANTECEDENTES SE ENCUENTRAN DISPONIBLES EN LA SEDE DE LA ENTIDAD EMISORA, EN LAS OFICINAS DE LOS INTERMEDIARIOS COLOCADORES Y EN LA SUPERINTENDENCIA DE VALORES Y SEGUROS.

LA SUPERINTENDENCIA DE VALORES Y SEGUROS NO SE PRONUNCIA SOBRE LA CALIDAD DE LOS VALORES OFRECIDOS COMO INVERSIÓN. LA INFORMACIÓN CONTENIDA EN ESTE PROSPECTO ES DE RESPONSABILIDAD EXCLUSIVA DEL EMISOR.

# DISCLAIMER


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THIS DOCUMENT HAS BEEN PREPARED BY SMU S.A. ("SMU") SOLELY FOR THE EVALUATION OF QUALIFIED INSTITUTIONAL BUYERS IN THE US AND NON-US PERSONS OUTSIDE THE US AND CHILE. THE INFORMATION CONTAINED HEREIN HAS BEEN PREPARED TO ASSIST INTERESTED PARTIES IN MAKING THEIR OWN EVALUATION OF SMU AND DOES NOT PURPORT TO BE ALL INCLUSIVE OR TO CONTAIN ALL OF THE INFORMATION THAT A PROSPECTIVE PURCHASER MAY DESIRE.

THIS PRESENTATION CONTAINS FORWARD-LOOKING STATEMENTS ABOUT SMU BASED ON MANAGEMENT'S CURRENT EXPECTATIONS WHICH ARE SUBJECT TO KNOWN AND UNKNOWN UNCERTAINTIES AND RISKS. SUCH FORWARD-LOOKING STATEMENTS REFLECT SIGNIFICANT ASSUMPTIONS AND SUBJECTIVE JUDGMENTS BY SMU'S MANAGEMENT WHICH MAY OR MAY NOT PROVE TO BE CORRECT AND INVOLVE INHERENT RISKS AND UNCERTAINTIES, INCLUDING FACTORS WHICH COULD DELAY, DIVERT OR CHANGE ANY OF THEM, AND COULD CAUSE ACTUAL OUTCOMES AND RESULTS TO DIFFER MATERIALLY FROM CURRENT EXPECTATIONS. SMU MAKES NO REPRESENTATIONS OR WARRANTIES AS TO THE ACCURACY OR COMPLETENESS OF SUCH STATEMENTS, ESTIMATES AND PROJECTIONS AND THERE CAN BE NO ASSURANCE THAT THE THIRD PARTY OR PUBLICLY AVAILABLE INFORMATION WITH RESPECT TO WHICH SMU'S ESTIMATES, FORECASTS, OR PROJECTIONS ARE BASED IS COMPLETE OR ACCURATE. OUR ACTUAL RESULTS COULD DIFFER MATERIALLY FROM THOSE DISCUSSED DUE TO A NUMBER OF FACTORS, INCLUDING THE RISKS FACTORS INCLUDED IN OUR PRELIMINARY OFFERING MEMORANDUM. WE ARE PROVIDING THIS INFORMATION AS OF THE DATE OF THIS PRESENTATION AND DO NOT UNDERTAKE ANY OBLIGATION TO UPDATE ANY FORWARD-LOOKING STATEMENTS CONTAINED IN THIS PRESENTATION AS A RESULT OF NEW INFORMATION, FUTURE EVENTS OR OTHERWISE.

BY ITS ACCEPTANCE HEREOF, EACH RECIPIENT AGREES (1) THAT IT WILL KEEP PERMANENTLY CONFIDENTIAL ALL INFORMATION CONTAINED HEREIN AND ANY ORAL INFORMATION PROVIDED IN CONNECTION WITH THIS PRESENTATION NOT ALREADY IN THE PUBLIC DOMAIN AND (2) THAT THIS PRESENTATION WILL BE USED BY THE RECIPIENT SOLELY FOR THE PURPOSE OF EVALUATING AN INVESTMENT IN SMU.

## KEY TERMS OF THE OFFERING

ISSUER	<ul style="list-style-type: none"> <li>SMU S.A.</li> </ul>
TYPE	<ul style="list-style-type: none"> <li>INITIAL PUBLIC OFFERING</li> </ul>
OFFERING	<ul style="list-style-type: none"> <li>1,150,000,000 COMMON SHARES</li> </ul>
OPTION TO UPSIZE	<ul style="list-style-type: none"> <li>ADDITIONAL 250,000,000 COMMON SHARES</li> </ul>
LISTINGS	<ul style="list-style-type: none"> <li>SANTIAGO STOCK EXCHANGE</li> </ul>
DISTRIBUTION	<ul style="list-style-type: none"> <li>RULE 144-A QUALIFIED INSTITUTIONAL BUYERS IN THE U.S.</li> <li>REG S TO NON US PERSONS OUTSIDE THE U.S. AND CHILE</li> </ul>
PRIMARY / SECONDARY	<ul style="list-style-type: none"> <li>100% PRIMARY</li> </ul>
USE OF PROCEEDS	<ul style="list-style-type: none"> <li>DEBT PREPAYMENT AND GENERAL CORPORATE PURPOSES</li> </ul>
Lock-Up	<ul style="list-style-type: none"> <li>360 DAYS FOR CONTROLLING SHAREHOLDER</li> <li>180 DAYS FOR SOUTHERN CROSS</li> <li>180 DAYS FOR SMU</li> </ul>
TIMING	<ul style="list-style-type: none"> <li>JANUARY 2017</li> </ul>
GLOBAL COORDINATORS AND BOOKRUNNERS	 LarrainVial ■
BOOKRUNNER	

## INTRODUCTION TO MANAGEMENT

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**MARCELO GÁLVEZ**  
CHIEF EXECUTIVE  
OFFICER








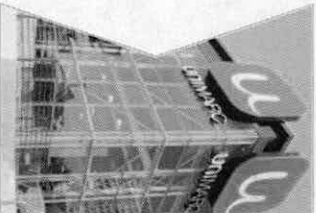




**ARTURO SILVA**  
CHIEF FINANCIAL  
OFFICER



**CAROLYN MCKENZIE**  
HEAD OF INVESTOR  
RELATIONS

# SMU AT-A-GLANCE

## LEADING FOOD RETAILER IN CHILE, WITH FOUR FOOD RETAIL FORMATS AND BROAD MARKET COVERAGE

4 FORMATS	FOOD RETAIL SEGMENTS	SUPERMARKET	CASH & CARRY	CONVENIENCE	E-GROCERY
5 BRANDS	BRANDS WITH AMPLE RECOGNITION	    	    		
US\$3.7BN SALES <sup>(1)</sup>	SIZEABLE BUSINESSES WITH ECONOMIES OF SCALE	US\$2,298MM	US\$872MM	US\$74MM	US\$20MM
21.4% MARKET SHARE <sup>(2)</sup>	FOOD-FOCUSED PRODUCT OFFERING	✓ 98% OF REVENUE FROM FOOD ITEMS <sup>(3)</sup>			
511 OUTLETS	LARGEST FOOD RETAILER IN CHILE <sup>(4)</sup>	✓ OVER 20 MILLION MONTHLY TRANSACTIONS <sup>(5)</sup>			
100%	REGIONAL COVERAGE IN CHILE	✓ WITH ADDITIONAL PRESENCE IN PERU (MAYORSA AND MAXIAHORRO) AND THE CHILEAN CONSTRUCTION MATERIALS WHOLESALE INDUSTRY (CONSTRUMART)			

NOTE: CLP 658.02/US\$ ILLUSTRATIVE. FX USING CHILE'S CENTRAL BANK'S USD OBSERVED EXCHANGE RATE (DOLAR OBSERVADO) AS PUBLISHED IN CHILE'S OFFICIAL GAZETTE (DIARIO OFICIAL) ON OCTOBER 3, 2016 GIVEN CENTRAL BANK'S METHODOLOGY OF USING PREVIOUS BUSINESS DAY'S (SEPTEMBER 30, 2016) TRANSACTIONS' WEIGHTED AVERAGE.

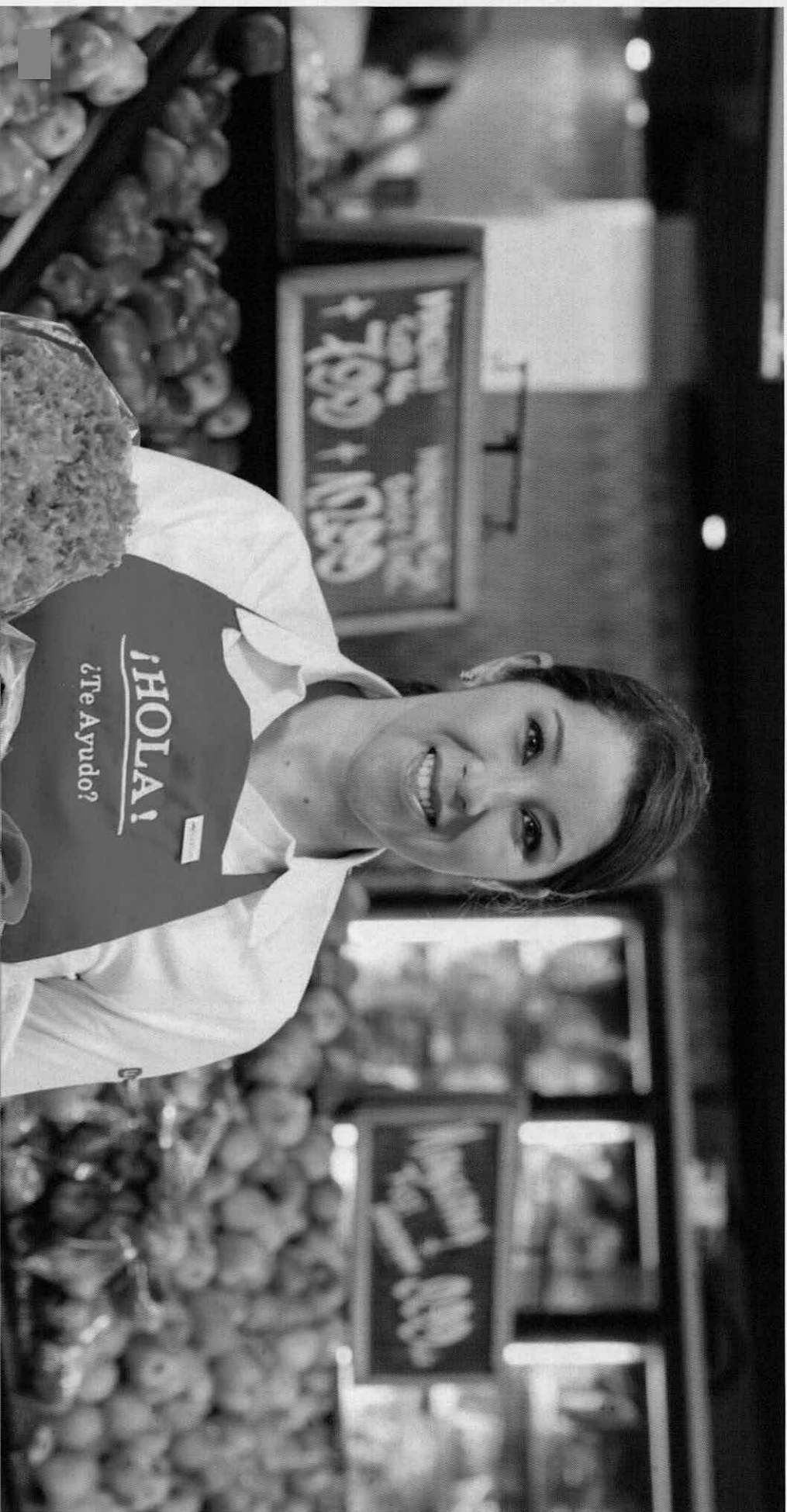
(1) LTM 3Q'16, INCLUDES CONSTRU MART AND PERUVIAN OPERATIONS (MAXIAHORRO AND MAYORSA) TOTALING US\$431MM.

(2) CALCULATED AS SMU'S CHILEAN FOOD RETAIL REVENUES DIVIDED BY CHILEAN SUPERMARKET SECTOR LTM 3Q'16 REVENUES AS PER CHILE'S INSTITUTE OF STATISTICS (INE). INE CONSIDERS FOOD RETAIL OUTLETS ANY STORE WITH THREE OR MORE CHECKOUT POINTS.

(3) CONSIDERING REVENUE FROM CHILEAN FOOD RETAIL STORES FOR THE YEAR 2015.

(4) USING SMU'S STORES AS OF SEPTEMBER 30, 2016 AND COMPETITORS' REPORTED STORES IN THEIR RESPECTIVE WEBSITES AS OF NOVEMBER 1, 2016.

(5) BASED ON AVERAGE NUMBER OF MONTHLY TRANSACTIONS FOR CHILEAN FOOD RETAIL STORES FOR THE YEAR 2015.



# 01

## SMU HIGHLIGHTS



## SMU HIGHLIGHTS

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# SMU



**1** DEFENSIVE INDUSTRY IN LATAM'S MOST STABLE ECONOMY WITH ATTRACTIVE MACRO TRENDS

**2** MULTI-FORMAT PRESENCE AND ESTABLISHED PROMOTIONAL STRATEGY ALIGNED WITH SHIFTING CONSUMER SHOPPING HABITS

**3** INTEGRATED OPERATING PLATFORM SUPPORTS BROAD COVERAGE OF THE CHILEAN MARKET

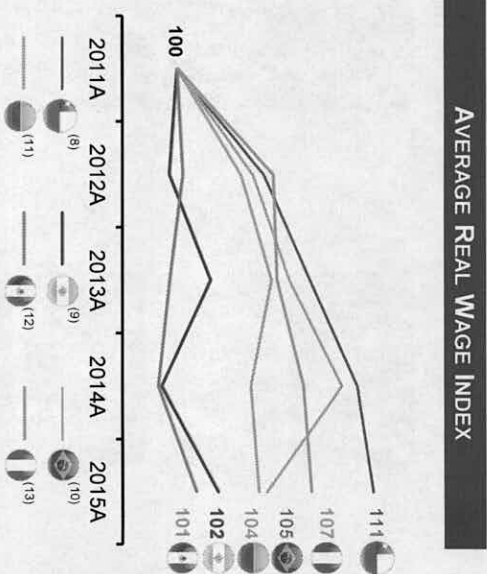
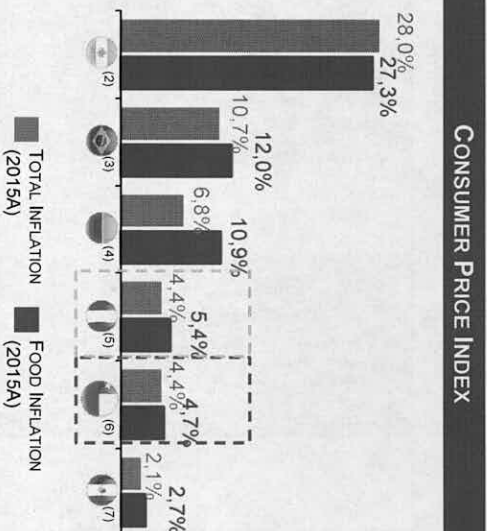
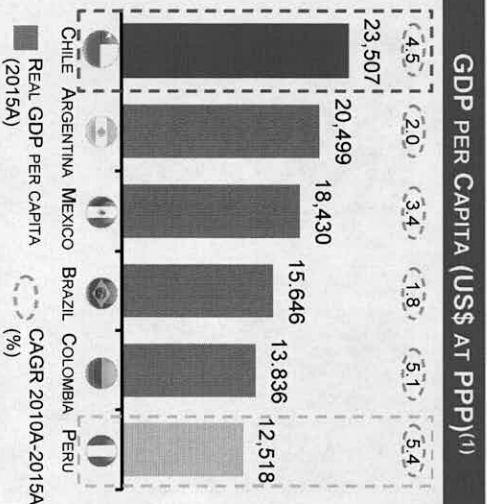
**4** PROVEN TRACK RECORD OF STRATEGY EXECUTION WITH ACTION PLANS FOR FUTURE GROWTH AND PROFITABILITY

**5** EXPERIENCED MANAGEMENT TEAM AND A COMMITTED BOARD OF DIRECTORS WITH AMPLE INDUSTRY EXPERTISE

# DEFENSIVE INDUSTRY IN LATAM'S MOST STABLE ECONOMY WITH ATTRACTIVE

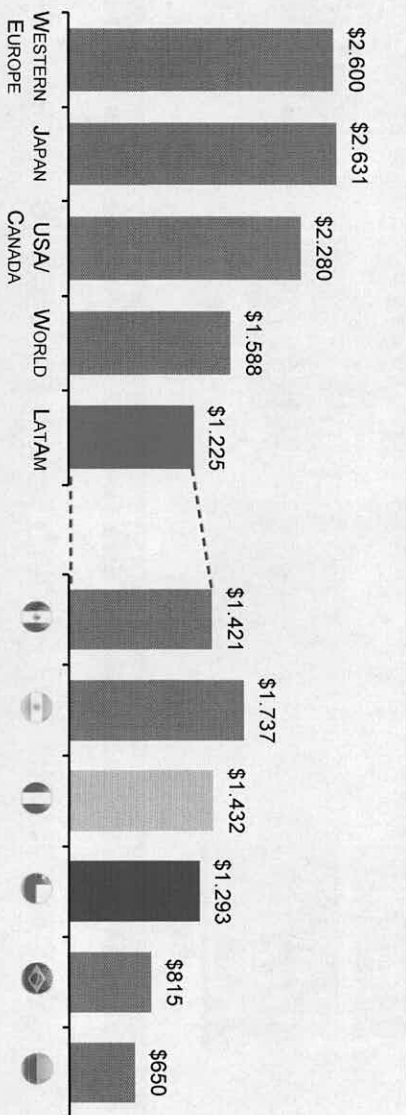
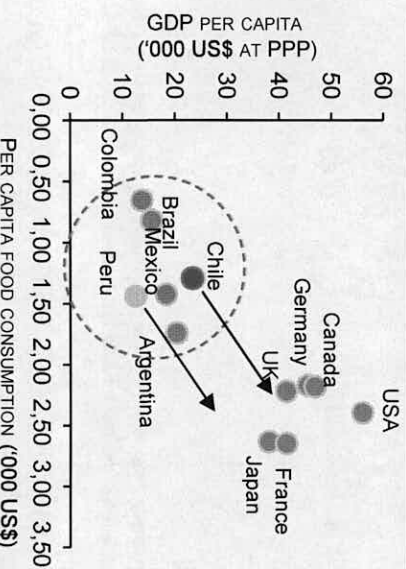
## 1 MACRO TRENDS

### GROWING FOOD RETAIL INDUSTRY SUPPORTED BY SOLID MACRO FUNDAMENTALS



#### FOOD EXPENDITURE VS. GDP (2015)<sup>(14)</sup>

#### FOOD EXPENDITURE PER CAPITA (US\$, 2015)<sup>(14)</sup>

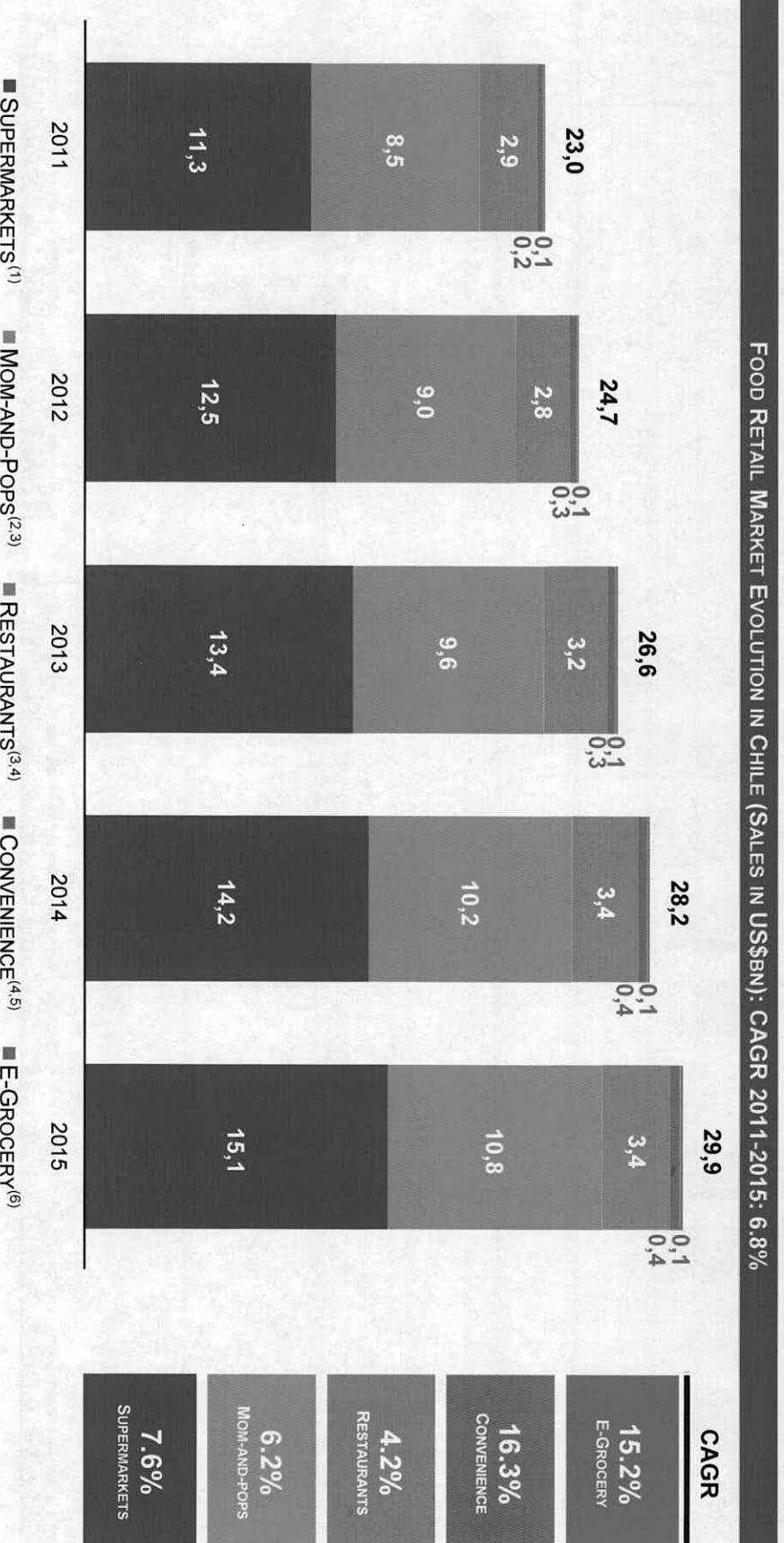


- (1) IMF, WORLD ECONOMIC OUTLOOK DATABASE AS OF OCTOBER 30, 2016.
- (2) CENTRO DE ESTUDIOS ECONÓMICOS SCALABRINI ORTIZ (CENTER FOR ECONOMIC STUDIES SCALABRINI ORTIZ), INFORME ECONÓMICO MENSUAL, FEBRUARY 29, 2016.
- (3) FEDERAÇÃO DAS INDÚSTRIAS DO ESTADO DE SÃO PAULO (FIESP), INFORME DE AGRICULTURA AS OF SEPTEMBER 30, 2016.
- (4) DEPARTAMENTO ADMINISTRATIVO NACIONAL DE ESTADÍSTICAS (COLOMBIA'S NATIONAL STATISTICS DEPARTMENT) AS OF OCTOBER 30, 2016.
- (5) BANCO CENTRAL DE RESERVA DEL PERU (BCRP), REPORTE DE INFLACIÓN MARCH 30, 2016.
- (6) INE AS OF OCTOBER 30, 2016.
- (7) BANCO DE MÉXICO (BANXICO) AS OF OCTOBER 30, 2016.
- (8) INE, ÍNDICE DE REMUNERACIONES (COMPENSATION INDEX) (HOJA DE CÍRRAS REFERENCIALES REALES) AS OF OCTOBER 30, 2016.
- (9) IPCNU NOMINAL, WAGE INDEX MINUS ANNUAL INFLATION AS CALCULATED BY CIESO AS OF OCTOBER 30, 2016.
- (10) SEASON-ADJUSTED AVG REAL WAGE INDEX PER WORKER PROVIDED BY INSTITUTO BRASILEIRO DE GEOGRAFIA E ESTATÍSTICA (IBGE) AS OF OCTOBER 30, 2016.
- (11) REAL MANUFACTURING WAGE INDEX PROVIDED BY BANCO DE LA REPÚBLICA AS OF OCTOBER 30, 2016.
- (12) SEASON-ADJ. AVG REAL COMPENSATION BY EMPLOYEE PROVIDED BY BANXICO AS OF OCTOBER 30, 2016.
- (13) UNITED STATES DEPARTMENT OF AGRICULTURE, ECONOMIC RESEARCH SERVICE CALCULATIONS BASED ON ANNUAL HOUSEHOLD EXPENDITURE DATA FROM EUROMONITOR INTERNATIONAL.
- (14) UNITED STATES DEPARTMENT OF AGRICULTURE, ECONOMIC RESEARCH SERVICE CALCULATIONS BASED ON ANNUAL HOUSEHOLD EXPENDITURE DATA FROM EUROMONITOR INTERNATIONAL.

# DEFENSIVE INDUSTRY IN LATAM'S MOST STABLE ECONOMY WITH ATTRACTIVE

## 1 MACRO TRENDS

WE HAVE A STRONG PRESENCE IN THE HIGHEST-GROWING SEGMENTS OF THE CHILEAN FOOD RETAIL INDUSTRY



NOTE: FOR ILLUSTRATIVE PURPOSES ONLY. FX ASSUMED: CLP 656 02/US\$ AS OF SEPTEMBER 30, 2016.

SOURCE: EUROMONITOR PASSPORT (INFORMATION ON PRESENTATION ON THE CHILEAN FOOD RETAIL MARKET IS FROM INDEPENDENT MARKET RESEARCH CARRIED OUT BY EUROMONITOR PASSPORT BUT SHOULD NOT BE RELIED UPON IN MAKING, OR REFRAINING FROM MAKING, ANY INVESTMENT DECISION. ORIGINAL DATA IN NOMINAL CLP FIGURES AS OF NOVEMBER 2016.)

(1) INCLUDES SUPERMARKETS, HYPERMARKETS AND DISCOUNTERS.

(2) TRADITIONAL GROCERY RETAILERS INCLUDING FOOD/DRINK/TOBACCO SPECIALISTS, INDEPENDENT SMALL GROCERS AND OTHER GROCERY RETAILERS.

(3) SMU IS A SUPPLIER TO THE RESTAURANT AND MOM-AND-POPS SECTORS THROUGH ITS CASH & CARRY FORMATS.

(4) INCLUDES CHAINED CONSUMER FOODSERVICE, INDEPENDENT CONSUMER FOODSERVICE, 100% HOME DELIVERY/TAKEAWAY, CAFES/BARS, FULL-SERVICE RESTAURANTS, FAST FOOD, SELF-SERVICE CAFETERIAS, STREET STALLS/KIOSKS AND PIZZA CONSUMER FOODSERVICE.

(5) INCLUDES CONVENIENCE STORES, CHAINED FORECOURT RETAILERS AND INDEPENDENT FORECOURT RETAILERS.

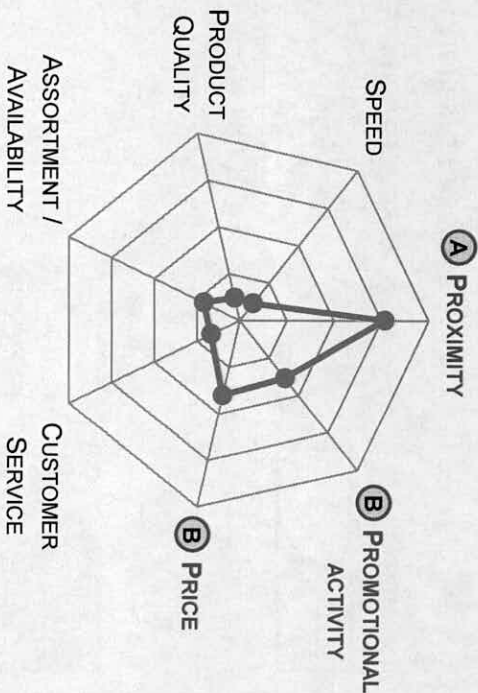
(6) INCLUDES FOOD AND DRINK, INTERNET RETAILING.

# DEFENSIVE INDUSTRY IN LATAM'S MOST STABLE ECONOMY WITH ATTRACTIVE

## 1 MACRO TRENDS

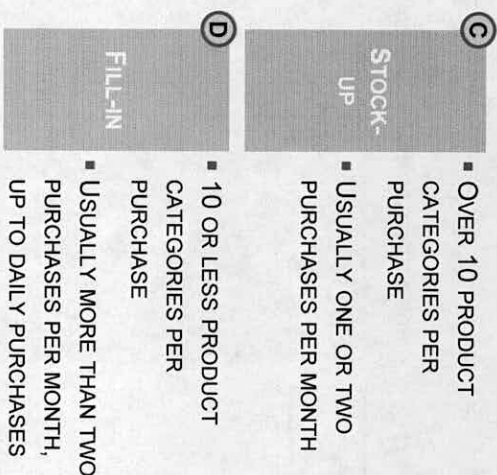
OUR COMPETITIVE STRENGTHS ARE WELL ALIGNED WITH CHILEAN SUPERMARKET INDUSTRY TRENDS AND POSITION US FOR CONTINUED GROWTH...

REASONS FOR CHOOSING A SUPERMARKET IN CHILE<sup>(1)</sup>



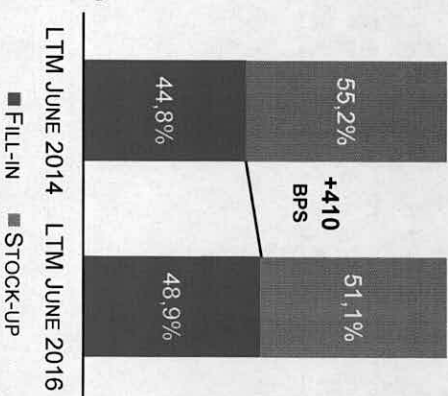
✓ LOCATION IS THE FIRST CHOOSING DRIVER, FOLLOWED BY PRICE AND PROMOTIONS

SUPERMARKET SHOPPING MISSIONS IN CHILE<sup>(2)</sup>



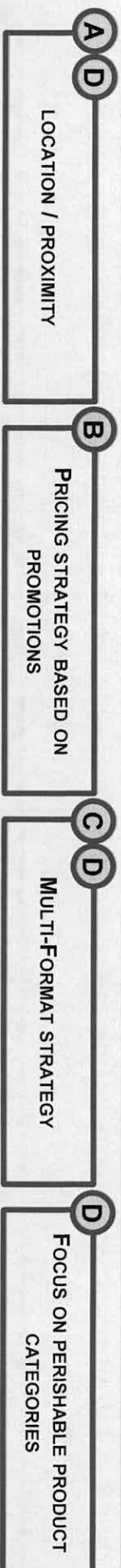
✓ PROXIMITY AND PERISHABLE PRODUCTS ARE SPENDING DRIVERS ON FILL-IN PURCHASES

SUPERMARKET SALES IN CHILE<sup>(2)</sup>



## SMU's

### STRENGTHS



SOURCE: COMPANY INFORMATION.

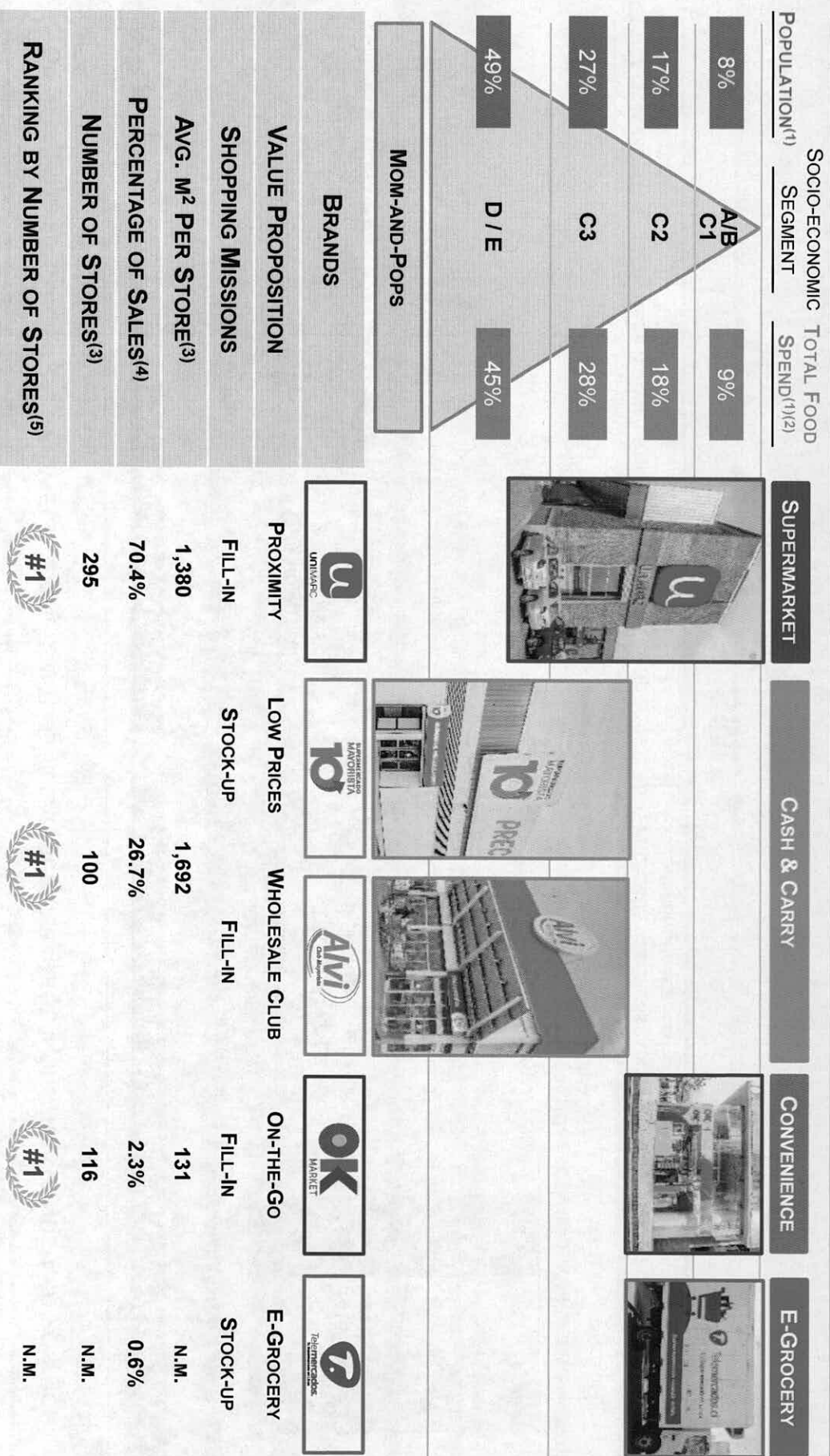
(1) ACTIVA RESEARCH POLL. WEIGHTED BY HOUSEHOLD PENETRATION, USING A 22,150 UNIVERSE AND ACCORDING TO MAJOR MARKET DATA PROVIDER - IHS2016.

(2) KANTAR WORLDPANEL. "SHOPPING MISSIONS" FOR THE TWELVE-MONTH PERIODS ENDED JUNE 30, 2014 AND JUNE 30, 2016. INFORMATION BY KANTAR WORLDPANEL. CHILE IS BASED ON WEEKLY PURCHASING INFORMATION OF FAST MOVING CONSUMER GOODS BY CHILEAN HOUSEHOLDS, REPRESENTING 74% OF THE CHILEAN POPULATION.

# MULTI-FORMAT PRESENCE AND ESTABLISHED PROMOTIONAL STRATEGY ALIGNED

## 2 WITH SHIFTING CONSUMER SHOPPING HABITS

...SERVING ALL SOCIOECONOMIC SEGMENTS AND ADDRESSING ALL SHOPPING HABITS, WITH HIGHLY RECOGNIZABLE BRANDS



SOURCE: INE, COMPANY INFORMATION.

(1) SOURCE: KANTAR WORLDPANEL 2016. RELATIVE IMPORTANCE OF SOCIOECONOMIC SEGMENT, TICKET AND FREQUENCY ACCORDING TO 'SHOPPING MISSIONS' REPORT BY KANTAR WORLDPANEL. INFORMATION BY KANTAR WORLDPANEL CHILE IS BASED ON WEEKLY PURCHASING INFORMATION OF FAST MOVING CONSUMER GOODS BY CHILEAN HOUSEHOLDS, REPRESENTING 74% OF THE CHILEAN POPULATION FOR THE 12-MONTH PERIOD BETWEEN JULY 2015 AND JUNE 2016.

(2) SOURCE: KANTAR WORLDPANEL 2016. EACH SEGMENT'S FOOD EXPENDITURE AS % OF TOTAL FOOD EXPENDITURE.

(3) AS OF SEPTEMBER 30, 2016.

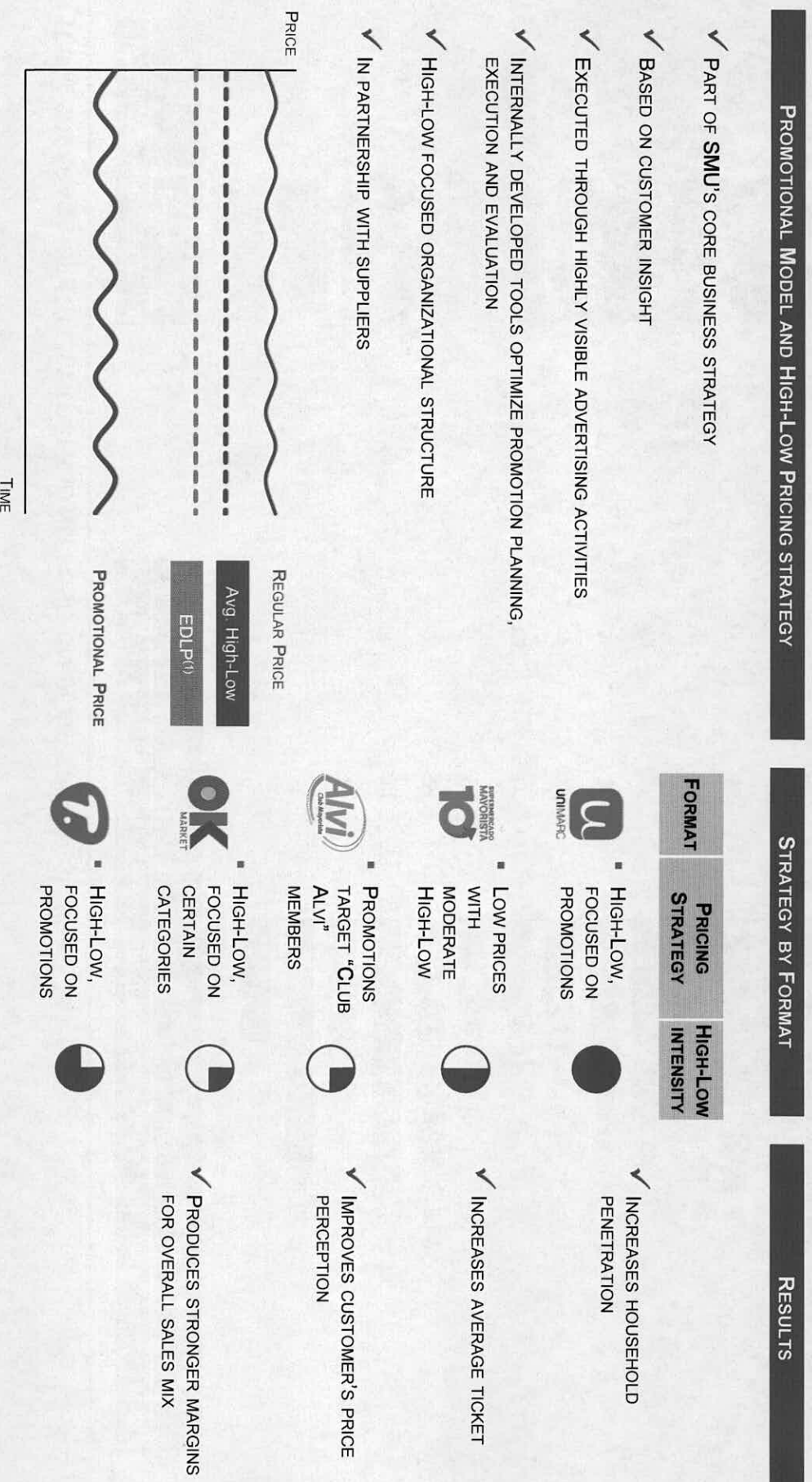
(4) FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016. DOES NOT CONSIDER CONSTRUIMART AND PERUVIAN OPERATIONS.

(5) NUMBER OF STORES FOR SMU BASED ON COMPANY INFORMATION AS OF SEPTEMBER 30, 2016. NUMBER OF STORES FOR MAIN COMPETITORS BASED ON THE RESPECTIVE COMPANIES' WEBSITES AS OF NOVEMBER 2016.

# MULTI-FORMAT PRESENCE AND ESTABLISHED PROMOTIONAL STRATEGY ALIGNED

## 2 WITH SHIFTING CONSUMER SHOPPING HABITS

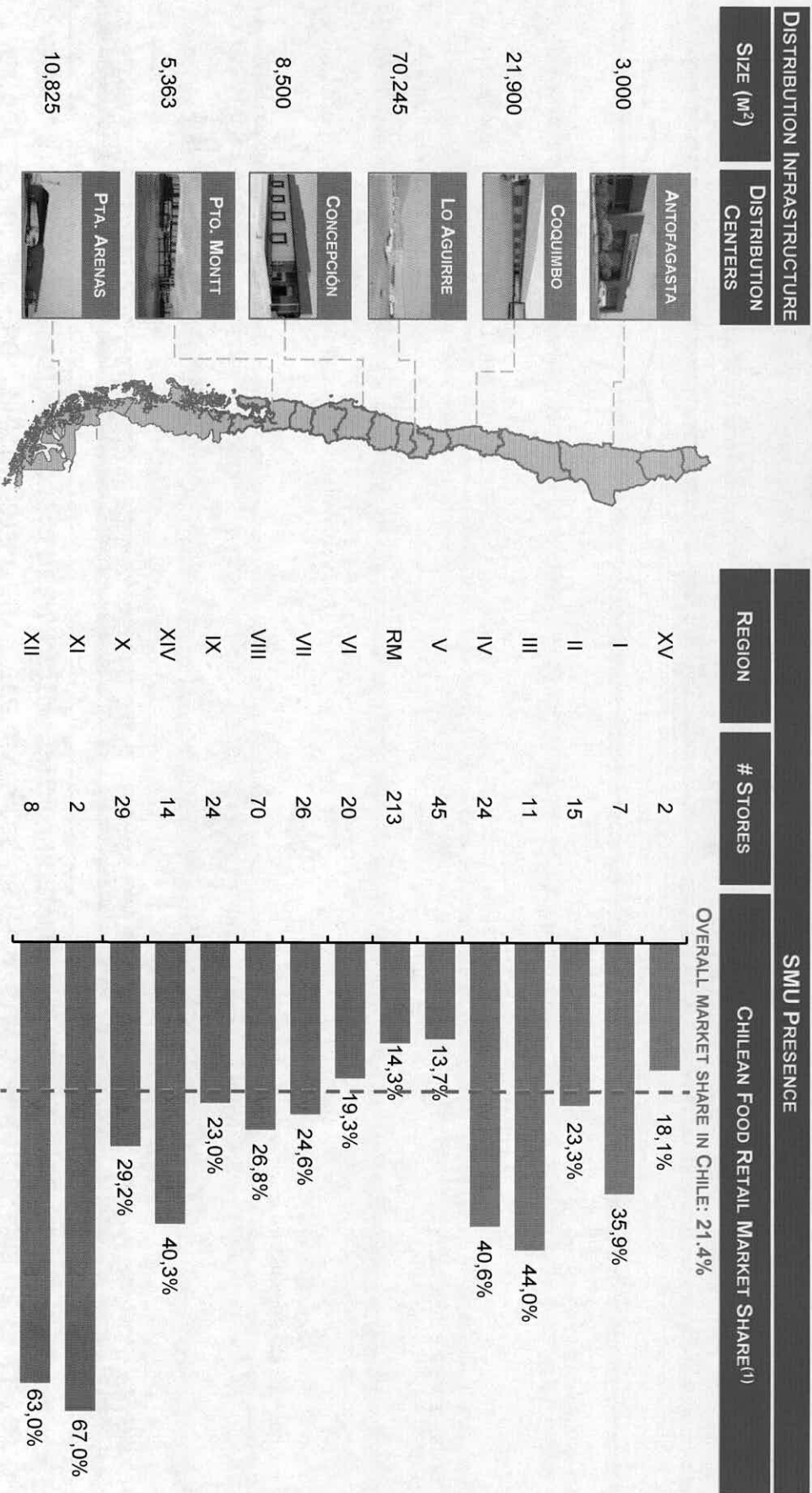
OUR SUCCESSFUL HIGH-LOW PRICING STRATEGY DIFFERENTIATES US FROM OUR COMPETITORS, IS CENTRAL TO OUR OVERALL STRATEGY EXECUTION AND HAS BEEN INSTRUMENTAL IN DRIVING HIGHER AVERAGE TICKET



(1) EVERY DAY LOW PRICES.

# INTEGRATED OPERATING PLATFORM SUPPORTS BROAD COVERAGE OF THE CHILEAN MARKET

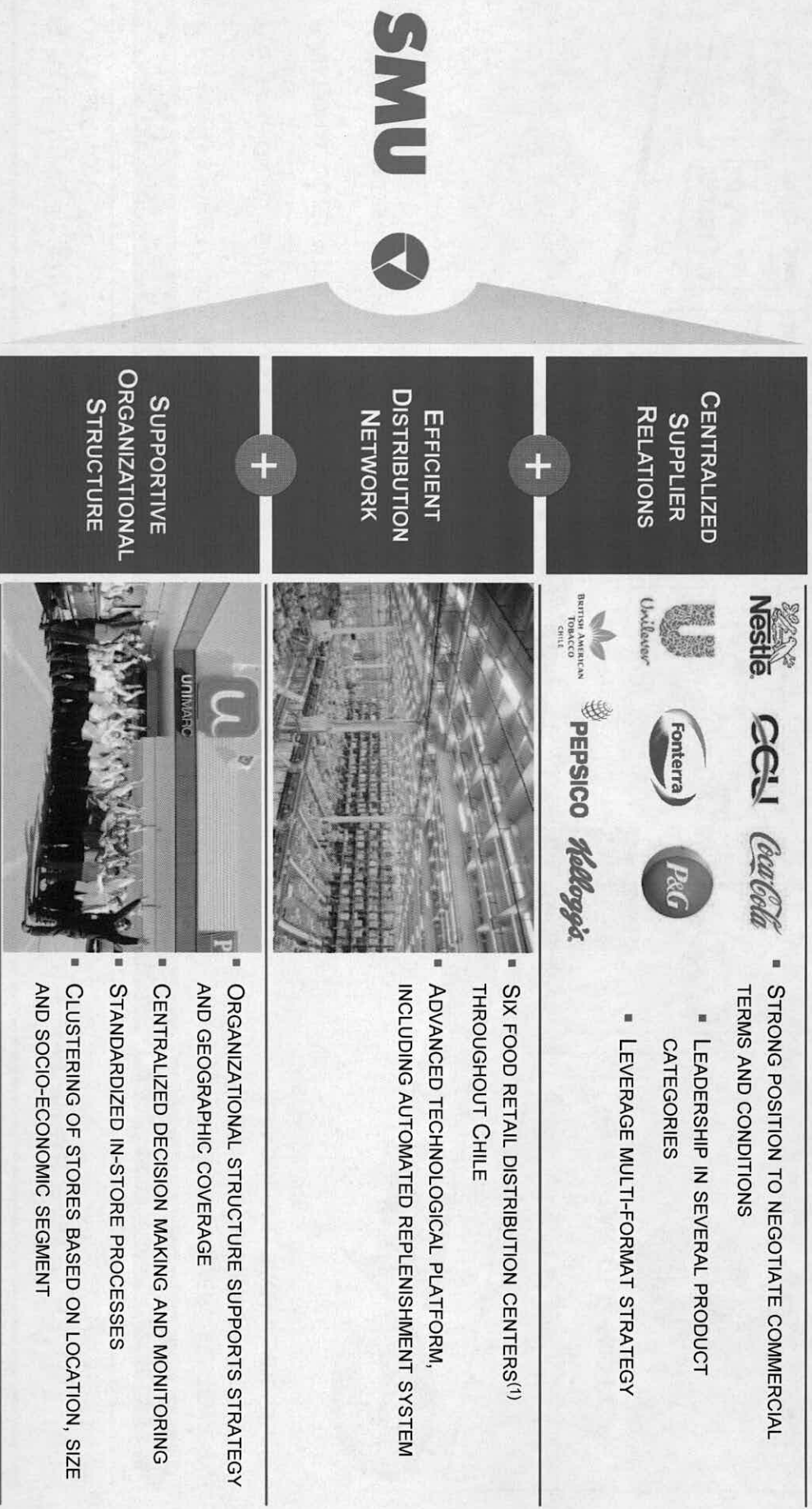
100% COVERAGE OF CHILE WITH LEADING POSITION IN SEVERAL REGIONS



SOURCE: COMPANY INFORMATION AND CHILEAN NATIONAL INSTITUTE OF STATISTICS AS OF JUNE 30, 2016.  
 (1) ALL MARKET SHARE FIGURES ARE CALCULATED AS PORTION OF SMU'S SALES IN TOTAL LTM SUPERMARKET SALES BY REGION AS OF JUNE 2016.

# INTEGRATED OPERATING PLATFORM SUPPORTS BROAD COVERAGE OF THE 3 CHILEAN MARKET

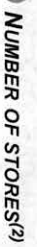
INTEGRATED OPERATING AND IT PLATFORM ENHANCES COMPANY'S EFFICIENCY AND COMPETITIVENESS



SOURCE: COMPANY INFORMATION.  
(1) DOES NOT INCLUDE TELEMERCADOS FACILITY.

## 4

## SCALE AND E OPTIMIZATION



SOURCE: COMPANY FILINGS. ILLUSTRATIVE FX ASSUMED: CLP658.02/US\$ AS OF SEPTEMBER 30, 2016 (CONVENIENCE TRANSLATION FOR REFERENCE PURPOSES ONLY)

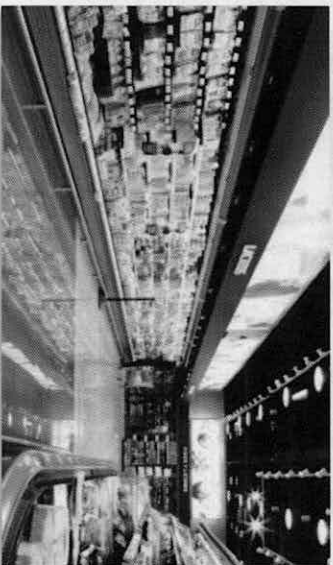
(1) INCLUDES CONSTUMBART AND PERUVIAN OPERATIONS (MAXIAHOBBO AND MAYORSA) TOTALING US\$431MM. SOURCE: COMPANY FILINGS. ILLUSTRATIVE F/A ASSUMED: CCF-030; UZ1/03\$ AS OF SEPTEMBER 30, 2010 (CONVENIENCE)

(2) ONLY CHILEAN OPERATIONS EXCLUDING CONSTRU.MAT.

# PROVEN TRACK RECORD OF STRATEGY EXECUTION WITH ACTION PLANS FOR 4 FUTURE GROWTH AND PROFITABILITY

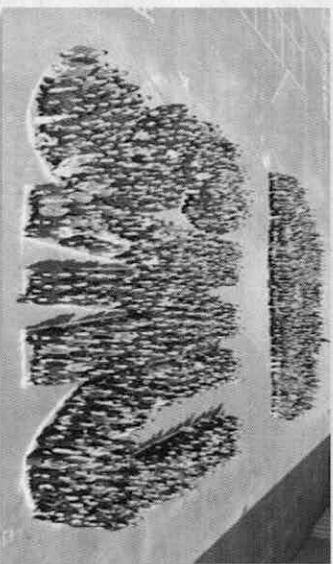
## SUCCESSFUL IMPLEMENTATION OF THREE-YEAR STRATEGIC PLAN

### COMMERCIAL STRENGTHENING



- ✓ HIGH-LOW STRATEGY
- ✓ COMMERCIAL EFFICIENCY
- ✓ VALUE PROPOSITIONS

### OPERATING EFFICIENCY



- ✓ PRODUCT AVAILABILITY
- ✓ SUPPLY CHAIN OPTIMIZATION
- ✓ FOCUS ON WORKFORCE PRODUCTIVITY
- ✓ STORE PORTFOLIO OPTIMIZATION, INCLUDING THE PHASE-OUT OF LOW PERFORMANCE STORES
- ✓ REDUCTION OF OPERATING EXPENSES

### FINANCIAL AND ORGANIZATIONAL STRENGTHENING



- ✓ CAPITAL INJECTION
- ✓ BANK DEBT NEGOTIATION
- ✓ NON-CORE ASSET SALE
- ✓ CAPEX REDUCTION
- ✓ STAKEHOLDER RELATIONS
- ✓ CORPORATE GOVERNANCE
- ✓ ORGANIZATIONAL STRUCTURE

# PROVEN TRACK RECORD OF STRATEGY EXECUTION WITH ACTION PLANS FOR 4 FUTURE GROWTH AND PROFITABILITY

## SIX STRATEGIC PILLARS FOR PROFITABLE AND SUSTAINABLE GROWTH 2017-2019



### CUSTOMER EXPERIENCE

- ✓ GROW SALES BY IMPROVING KEY ASPECTS OF THE CUSTOMER SHOPPING EXPERIENCE

#### KEY INITIATIVES:

- ✓ STORE UPGRADES
- ✓ PERISHABLE FOOD CATEGORIES
- ✓ E-GROCERY
- ✓ ORGANIC GROWTH
- ✓ LOYALTY PROGRAM

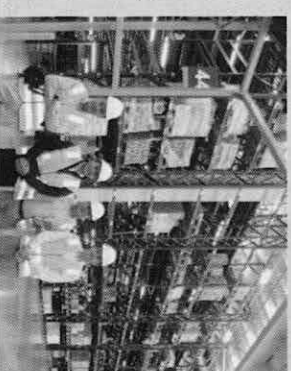


### OPERATING EFFICIENCY

- ✓ REDUCE OPERATING EXPENSES AND IMPROVE IN-STORE PRODUCT AVAILABILITY

#### KEY INITIATIVES:

- ✓ INCREASE CENTRALIZATION
- ✓ STANDARDIZATION AND AUTOMATIZATION OF PROCESSES
- ✓ LOGISTICS NETWORK OPTIMIZATION AND EXPANSION



### ORGANIZATIONAL EXCELLENCE

- ✓ ACHIEVE ALIGNMENT AND COMMITMENT THROUGHOUT THE ORGANIZATION

#### KEY INITIATIVES:

- ✓ TALENT MANAGEMENT

### SUSTAINABILITY

- ✓ STRENGTHEN RELATIONSHIPS WITH KEY STAKEHOLDERS

#### KEY INITIATIVES:

- ✓ SOCIAL RESPONSIBILITY PROGRAMS

### TECHNOLOGICAL DEVELOPMENT

- ✓ SUPPORT CHANGING NEEDS OF OPERATIONS

#### KEY INITIATIVES:

- ✓ MULTI CHANNEL BUSINESS INTELLIGENCE
- ✓ ONGOING IMPROVEMENT TO TECHNOLOGICAL PLATFORM

### FINANCIAL POSITION STRENGTHENING

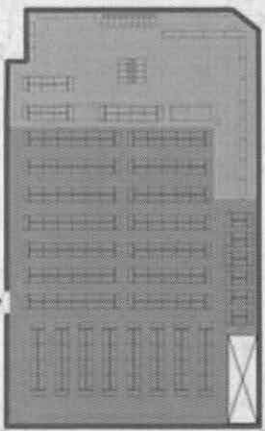

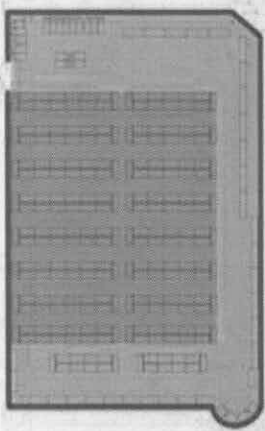

- ✓ IMPROVE THE CAPITAL STRUCTURE AND CREDIT RATINGS

#### KEY INITIATIVES:

- ✓ CAPITAL INJECTION
- ✓ RENEGOTIATE AND REPAY DEBT

# PROVEN TRACK RECORD OF STRATEGY EXECUTION WITH ACTION PLANS FOR 4 FUTURE GROWTH AND PROFITABILITY

STORE UPGRADES: NEW VALUE PROPOSITIONS TARGET CHANGING CUSTOMER NEEDS

BEFORE	AFTER	HIGHLIGHTS
 <p>PERISHABLES</p> 	 <p>NON PERISHABLES</p> 	<ul style="list-style-type: none"> <li>NEW STORE LAYOUT FOCUSED ON               <ul style="list-style-type: none"> <li>EXPANDING SELLING SPACE FOR FILL-IN PRODUCT CATEGORIES</li> <li>STORE NAVIGATION ORGANIZED BY PURCHASE OCCASION</li> </ul> </li> <li>NEW FURNISHINGS AND EQUIPMENT</li> <li>LED LIGHTING</li> <li>NEW LOOK-AND-FEEL</li> <li><b>SUCCESSFUL PILOT PLAN:</b> 3 UNIMARC STORES WITH A HIGH ROIC</li> <li><b>RESULTS:</b> SIGNIFICANT INCREASE IN SSS AND EBITDA MARGIN AND IMPROVED CUSTOMER EXPERIENCE<sup>(1)</sup></li> </ul>

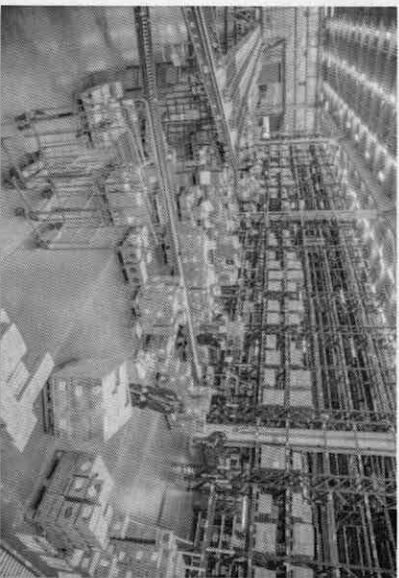
✓ POTENTIAL STORES TO UPGRADE  
INCLUDE UNIMARC AND  
MAYORISTA 10 STORES

SOURCE: COMPANY INFORMATION.  
NOTE: PILOT TEST COMPRISED ~4 MONTHS OF UPGRADING WORKS (MAR – JUN '15) AND ~12 SUBSEQUENT MONTHS OPERATING UNDER THE UNIMARC BRAND (JUL '15 – JUL '16).  
(1) UPGRADED STORES PERFORMANCE VS. ALL UNIMARC STORES DURING THE SAME TIMEFRAME.

# PROVEN TRACK RECORD OF STRATEGY EXECUTION WITH ACTION PLANS FOR

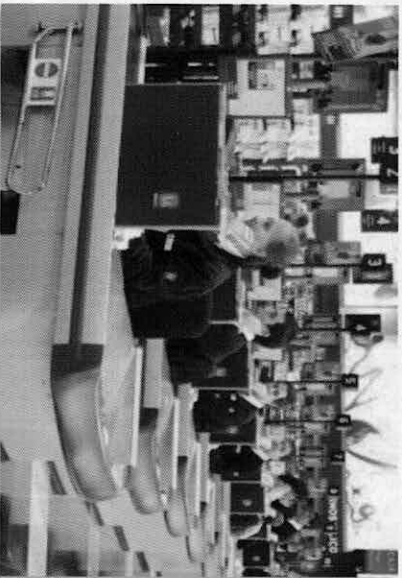
## 4 FUTURE GROWTH AND PROFITABILITY

### OPERATING EFFICIENCY: CENTRALIZATION OF DISTRIBUTION AND STANDARDIZATION OF PROCESSES



#### INCREASE CENTRALIZED DISTRIBUTION

- GREATER SUPPLY CHAIN EFFICIENCY
- MORE EFFECTIVE INVENTORY MANAGEMENT
  - SHRINKAGE
  - SALARY EXPENSES
- IMPROVED IN-STORE PRODUCT AVAILABILITY



#### STANDARDIZATION AND AUTOMATIZATION OF PROCESSES

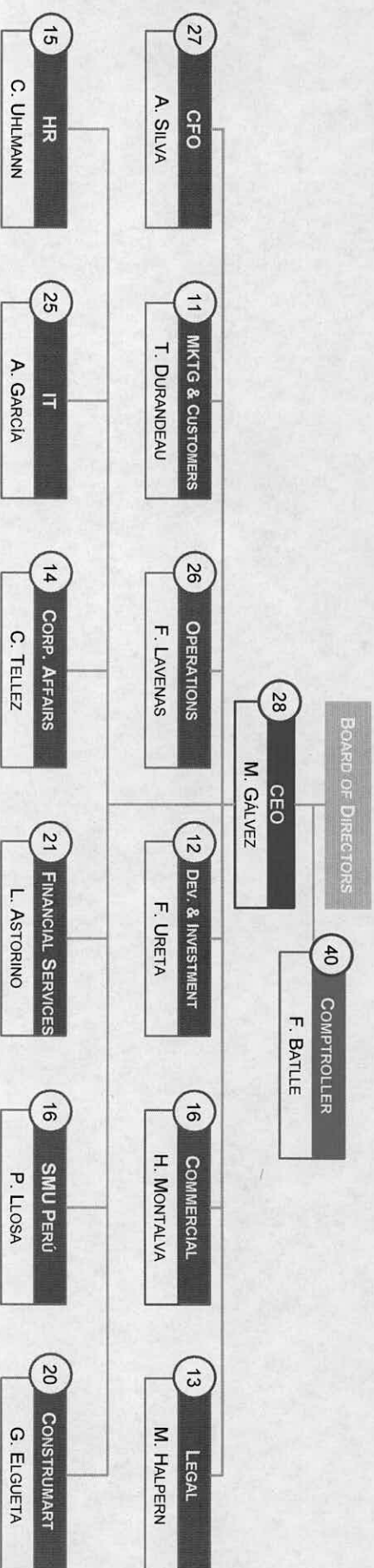
- STREAMLINING PROCESSES THROUGH:
  - AUTOMATIZATION OF STORE REPORTS
  - USE OF NEW REPORTING TOOLS (E.G. TASK MANAGER)
  - WORKFORCE MANAGEMENT
- INTEGRATION OF IT PLATFORM ACROSS FORMATS AND FUNCTIONS

SOURCE: COMPANY INFORMATION.

# EXPERIENCED MANAGEMENT TEAM AND A COMMITTED BOARD OF DIRECTORS

## 5 WITH AMPLE INDUSTRY EXPERTISE

### EXPERIENCED MANAGEMENT TEAM



○ YEARS OF EXPERIENCE

### CORPORATE GOVERNANCE

- THE COMPANY HAS BEEN A PUBLIC FILER SINCE 2011 DUE TO ITS PUBLICLY-TRADED DEBT INSTRUMENTS AND IS REGULATED BY THE SVS (CHILEAN SEC)
- DIRECTORS' COMMITTEE IS RESPONSIBLE FOR OVERSEEING THE COMPANY'S INTERNAL AUDIT DEPARTMENT, REVIEWING EXECUTIVE COMPENSATION AND APPROVING ALL TRANSACTIONS WITH RELATED PARTIES
- OTHER COMMITTEES IN PLACE TO SUPPORT MANAGEMENT:
  - STRATEGY COMMITTEE
  - INVESTMENT COMMITTEE
  - HUMAN RESOURCES COMMITTEE
  - AUDIT COMMITTEE

### BOARD OF DIRECTORS: EXPERTISE IN DIVERSE INDUSTRY SECTORS

NAME	POSITION	SECTOR EXPERTISE
ÁLVARO SAIH B.	CHAIRMAN	MULTISECTOR
PILAR DANOEBETIA E.	VICE-CHAIRMAN	MULTISECTOR
RAÚL SOTOMAYOR V.	DIRECTOR	MULTISECTOR
FERNANDO DEL SOLAR C.	DIRECTOR	CONSUMER & RETAIL
ABEL BOUGHON S.	DIRECTOR	CONSUMER & RETAIL
PEDRO PABLO CUEVAS L.	DIRECTOR	SUPERMARKETS
HORACIO SALAMANCA U.	DIRECTOR	MULTISECTOR
ALEJANDRO ALVAREZ A.	DIRECTOR	LEGAL
ANDRÉS OLIVOS B.	DIRECTOR	CONSUMER & RETAIL

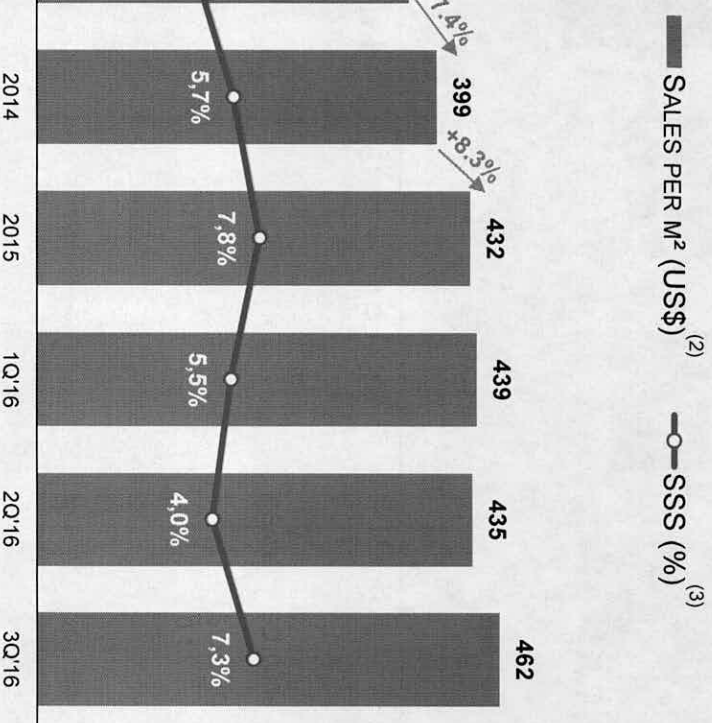


# 02

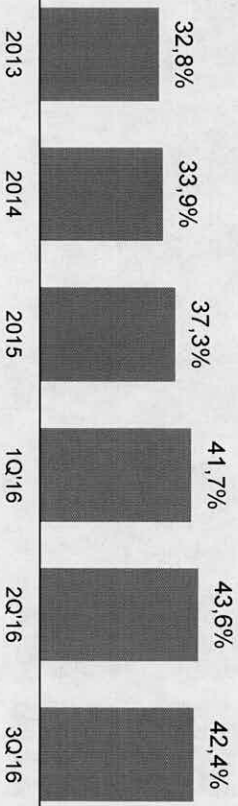
## FINANCIAL REVIEW

# FINANCIAL REVIEW

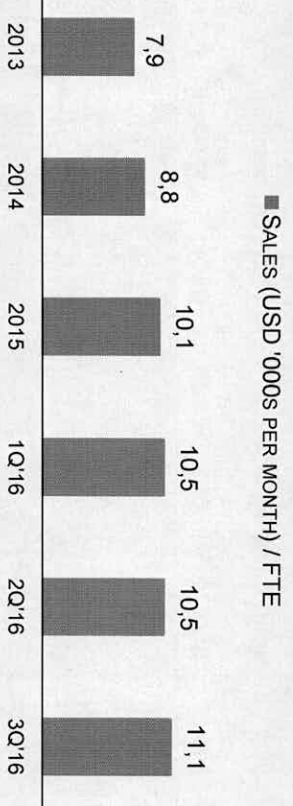
## SALES PER M<sup>2</sup> AND SAME STORE SALES – ANNUALLY<sup>(1)</sup>



## CENTRALIZATION<sup>(4,5)</sup>



## PRODUCTIVITY<sup>(4,6)</sup>



- SIGNIFICANT INCREASE IN SSS AND SUSTAINED GROWTH IN SALES PER SQUARE METER, REFLECTING SUCCESS OF COMMERCIAL STRATEGY
- CONSISTENT IMPROVEMENT IN OPERATING EFFICIENCY. SIGNIFICANT INCREASE IN CENTRALIZED DISTRIBUTION AND GREATER EMPLOYEE PRODUCTIVITY

SOURCE: COMPANY INFORMATION. ILLUSTRATIVE FX ASSUMED: CLP658.02/US\$ AS OF SEPTEMBER 30, 2016 (CONVENIENCE TRANSLATION FOR REFERENCE PURPOSES ONLY).

(1) SALES PER M<sup>2</sup> AND SAME STORE SALES FOR FOOD RETAIL OPERATIONS IN CHILE AND PERU.

(2) SALES PER M<sup>2</sup> CALCULATED AS SALES FOR THE PERIOD DIVIDED BY THE SQUARE METERS OF SELLING SPACE AT THE END OF EACH MONTH DURING THE PERIOD.

(3) SAME-STORE SALES ("SSS") REFLECTS THE PERCENTAGE CHANGE IN SALES OF OUR STORES OPERATING THROUGHOUT THE SAME MONTHS OF BOTH FINANCIAL PERIODS BEING COMPARED. IN ORDER TO BE INCLUDED IN THE CALCULATION, A STORE MUST HAVE BEEN OPERATING FOR AT LEAST 13 CONSECUTIVE MONTHS, BEGINNING ON THE DATE ON WHICH THE STORE WAS OPENED OR RE-OPENED.

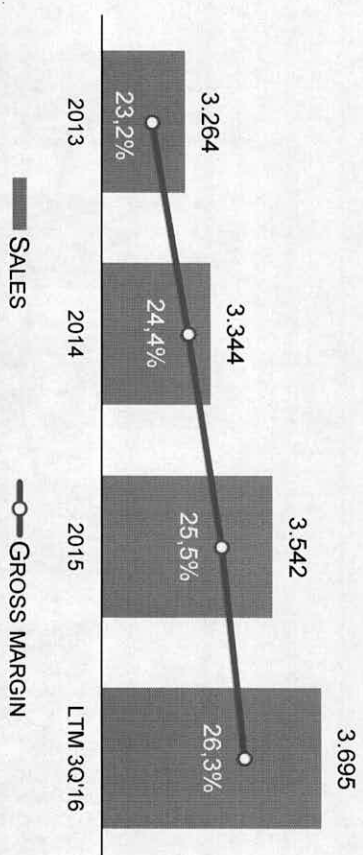
(4) FOOD RETAIL OPERATIONS IN CHILE.

(5) PERCENTAGE OF REVENUES FROM PRODUCTS DISTRIBUTED BY THE COMPANY (AT ANY STAGE) OVER TOTAL REVENUES FROM FOOD RETAIL OPERATIONS IN CHILE.

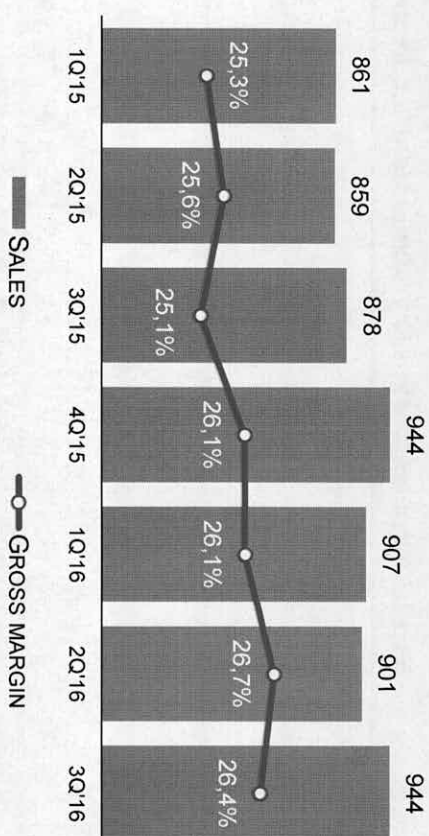
(6) AVERAGE MONTHLY SALES IN THOUSANDS OF US\$ PER FULL-TIME EQUIVALENT EMPLOYEE

# FINANCIAL REVIEW

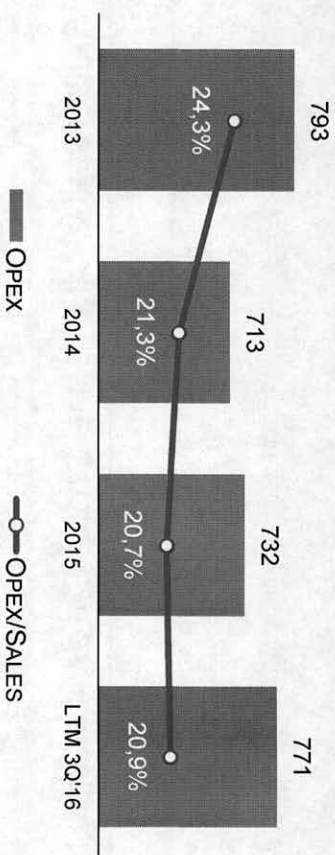
## REVENUE (US\$MM) – ANNUALLY<sup>(1)</sup>



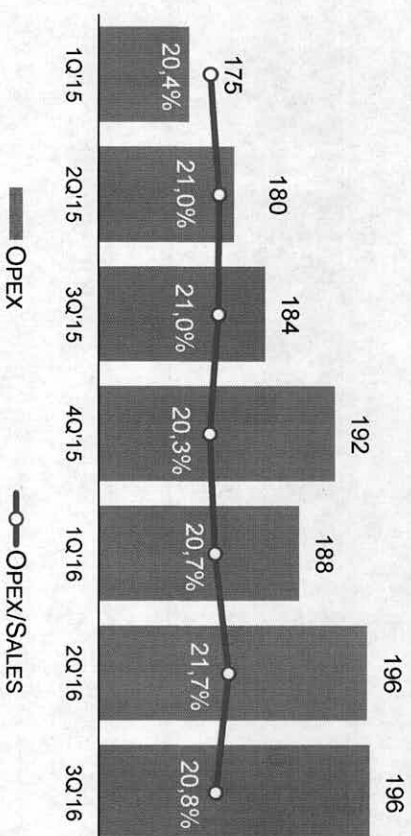
## REVENUE (US\$MM) – QUARTERLY



## OPERATING EXPENSES (US\$MM)<sup>(1,2)</sup> – ANNUALLY



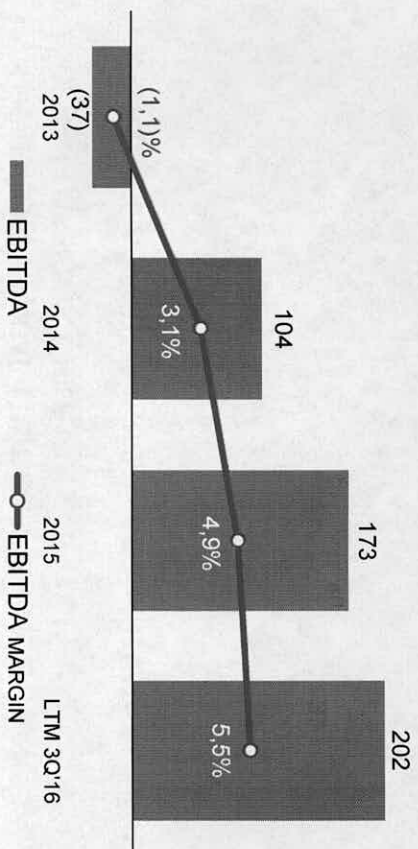
## OPERATING EXPENSES (US\$MM)<sup>(2)</sup> – QUARTERLY



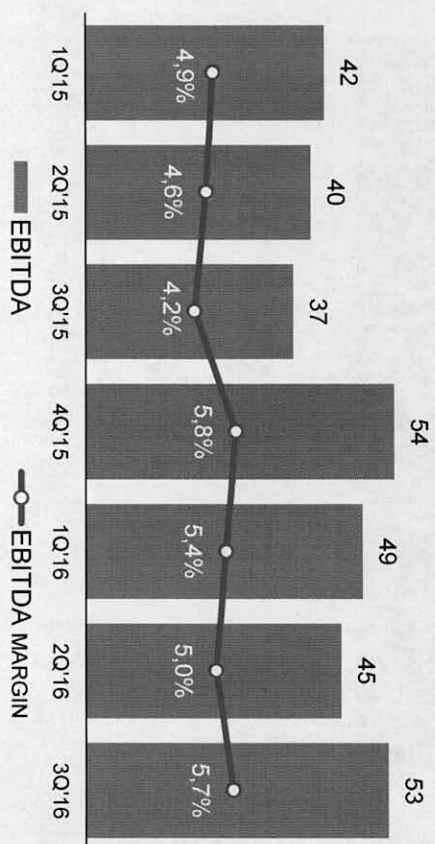
SOURCE: COMPANY INFORMATION. ILLUSTRATIVE FX ASSUMED: CLP658 02/US\$ AS OF SEPTEMBER 30, 2016 (CONVENIENCE TRANSLATION FOR REFERENCE PURPOSES ONLY).  
 (1) 2013 IS NOT COMPARABLE TO OTHER PERIODS BECAUSE CONSTRUUMART WAS NOT PRESENTED ON A LINE-BY-LINE BASIS. IT WAS PRESENTED ON A LINE-BY-LINE BASIS IN THE OTHER PERIODS PRESENTED.  
 (2) SUM OF DISTRIBUTION AND ADMINISTRATIVE EXPENSES, EXCLUDING DEPRECIATION AND AMORTIZATION.

# FINANCIAL REVIEW

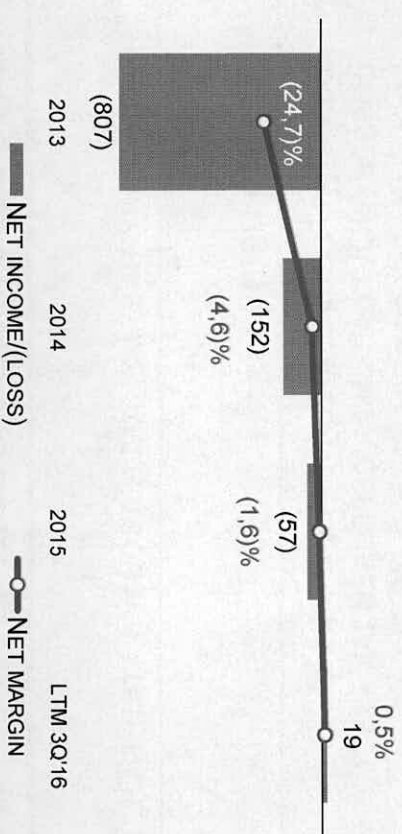
## EBITDA (US\$MM) – ANNUALLY<sup>(1)</sup>



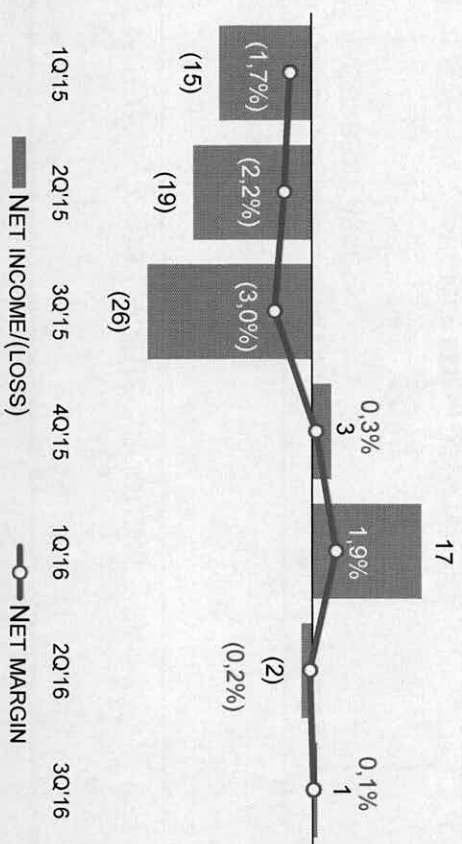
## EBITDA (US\$MM) – QUARTERLY



## NET PROFIT/(LOSS) (US\$MM) – ANNUALLY<sup>(1)</sup>



## NET PROFIT/(LOSS) (US\$MM) – QUARTERLY



SOURCE: COMPANY INFORMATION. ILLUSTRATIVE FX ASSUMED: CLP\$68.02/US\$ AS OF SEPTEMBER 30, 2016 (CONVENIENCE TRANSLATION FOR REFERENCE PURPOSES ONLY.)  
 (1) 2013 IS NOT COMPARABLE TO OTHER PERIODS BECAUSE CONSTRUART WAS NOT PRESENTED ON A LINE-BY-LINE BASIS. IT WAS PRESENTED ON A LINE-BY-LINE BASIS IN THE OTHER PERIODS PRESENTED

# NET OPERATING LOSSES

THE COMPANY HAS VALUABLE ACCUMULATED NOL'S THAT IT INTENDS TO USE IN THE UPCOMING YEARS

## NOLS: HIGHLIGHTS

- SMU HAS ACCUMULATED NET OPERATING LOSSES (NOL) BACKING A DEFERRED TAX ASSET FROM TAX LOSSES RECORDED AT US\$531MM
- CHILEAN LAW ALLOWS COMPANIES TO CARRY LOSSES FORWARD INDEFINITELY, OFFSETTING FUTURE INCOME TAXES
- THERE IS NO ANNUAL LIMIT ON THE UTILIZATION OF TAX LOSSES IN CHILE
- NOLS ARE ADJUSTED ANNUALLY FOR INFLATION

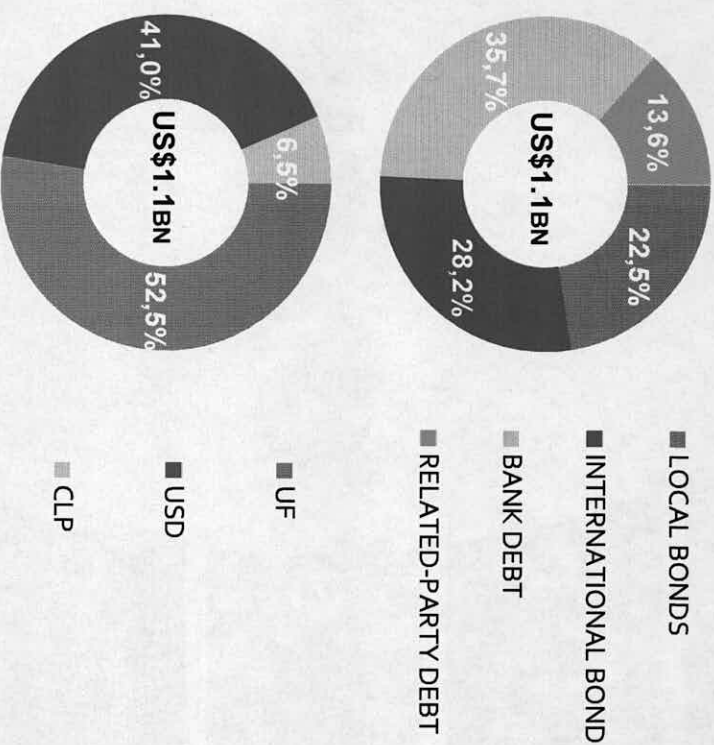
## SMU ASSETS – SEPT '16

CURRENT ASSETS:	19%
(CLP 343BN / US\$521MM)	
OTHER NON-CURRENT ASSETS:	61%
(CLP 1.09TN / US\$1.7BN)	
DEFERRED TAX ASSETS FROM TAX LOSSES:	
20%	
(CLP 349BN / US\$531MM)	

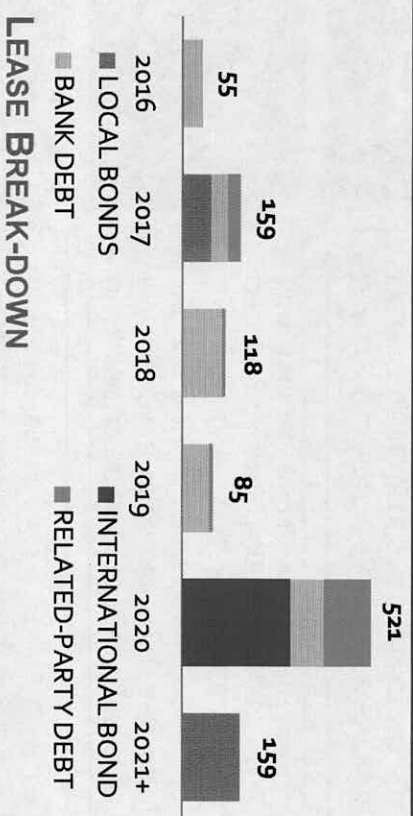
SOURCE: COMPANY INFORMATION AS OF 3Q'16. ILLUSTRATIVE FX ASSUMED: CLP658.02/US\$ AS OF SEPTEMBER 30, 2016 (CONVENIENCE TRANSLATION FOR REFERENCE PURPOSES ONLY).

# FINANCIAL DEBT, LEASES AND DEBT AMORTIZATION SCHEDULE

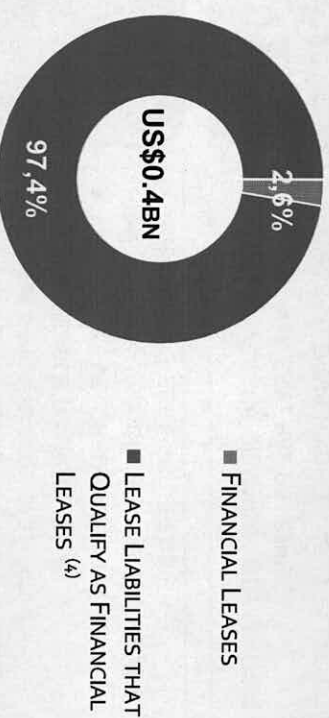
FINANCIAL DEBT<sup>(1,2)</sup>



DEBT AMORTIZATION SCHEDULE (US\$MM)<sup>(1,2,3)</sup>



## LEASE BREAK-DOWN



FOLLOWING IMPROVEMENTS TO FINANCIAL AND OPERATING METRICS THROUGH SUCCESSFUL IMPLEMENTATION OF THREE-YEAR STRATEGIC PLAN, DURING 2016, SEVERAL RATING AGENCIES UPGRADED SMU'S CREDIT RATINGS:

- FELLER RATE (FROM "B+" TO "BB-")
- HUMPHREYS CLASIFICADORA DE RIESGO (FROM "B" TO "B+")
- MOODY'S INVESTORS SERVICE (FROM "CAA1" TO "B3")<sup>(5)</sup>
- ICR CLASIFICADORA DE RIESGO (FROM "BB-" TO "BB")

(1) FIGURES AS OF SEPTEMBER 30, 2016. EXCLUDES LEASE EXPENSES OF US\$ -391 MM.  
 (2) FX ASSUMED: CLP\$698.02/US\$ AS OF END OF SEPTEMBER 30, 2016 PERIOD (CONVENIENCE TRANSLATION FOR REFERENCE PURPOSES ONLY).  
 (3) INCLUDES CAPITALIZATION OF INTEREST EXPENSES OF US\$32MM FROM THE RELATED-PARTY DEBT DUE 2020  
 (4) A LEASE IS CLASSIFIED AS A FINANCE LEASE IF IT TRANSFERS SUBSTANTIALLY ALL THE RISKS AND REWARDS INCIDENTAL TO OWNERSHIP OF AN ASSET IN ACCORDANCE WITH IAS 17 "LEASES".  
 (5) INTERNATIONAL CREDIT RATING.

## KEY TAKEAWAYS

**1** DEFENSIVE INDUSTRY IN LATAM'S MOST STABLE ECONOMY WITH ATTRACTIVE MACRO TRENDS

- WE ARE PRESENT IN THE HIGHEST-GROWING SEGMENTS OF THE DEFENSIVE CHILEAN FOOD RETAIL INDUSTRY

**2** MULTI-FORMAT PRESENCE AND ESTABLISHED PROMOTIONAL STRATEGY ALIGNED WITH SHIFTING CONSUMER SHOPPING HABITS

- WE SERVE ALL SOCIOECONOMIC SEGMENTS AND SHOPPING HABITS, WITH HIGHLY RECOGNIZABLE BRANDS
- WE HAVE DEVELOPED A STRONG PROMOTIONAL MODEL THAT GIVES US A COMPETITIVE EDGE VS. PEERS

**3** INTEGRATED OPERATING PLATFORM SUPPORTS BROAD COVERAGE OF THE CHILEAN MARKET

- 100% COVERAGE OF CHILE WITH LEADING POSITION IN SEVERAL REGIONS
- INTEGRATED OPERATING AND IT PLATFORM ENHANCES COMPANY'S EFFICIENCY AND COMPETITIVENESS

**4** PROVEN TRACK RECORD OF STRATEGY EXECUTION WITH ACTION PLANS FOR FUTURE GROWTH AND PROFITABILITY

- SCALE AND EFFICIENCY ACHIEVED THROUGH RAPID GROWTH, SUCCESSFUL INTEGRATION AND PORTFOLIO OPTIMIZATION
- ONGOING COMMERCIAL, PROMOTIONAL AND OPTIMIZATION STRATEGIES POSITIVELY IMPACTING PROFITABILITY

**5** EXPERIENCED MANAGEMENT TEAM AND A COMMITTED BOARD OF DIRECTORS WITH AMPLE INDUSTRY EXPERTISE

- SEASONED EXECUTIVES WITH RELEVANT EXPERIENCE IN CHILE'S RETAIL SECTOR
- CORPORATE GOVERNANCE MECHANISMS IN PLACE TO SUPPORT MANAGEMENT'S STRATEGIC PLANNING AND VALUE CREATION

# SMU





Q&A

# Appendix



# COMPLEMENTARY VALUE CREATION INITIATIVES AVAILABLE TO SMU BEYOND FOOD RETAILING IN CHILE



## ANCILLARY SERVICES PLATFORM

- ✓ LEVERAGE SMU'S OVER 20 MILLION MONTHLY TRANSACTIONS

### KEY INITIATIVES:

- ✓ SALE OF LOTTERY TICKETS, PAYMENT OF BILLS, GIFT CARDS, REMITTANCES, INSURANCES, ETC.
- ✓ LOYALTY PROGRAM
- ✓ PURSUE ALLIANCES



## SMU PERU (MAYORSA & MAXI AHORRO)

- ✓ NOVEL CASH & CARRY FORMAT IN PERU
- ✓ LEVERAGE SMU'S SUPPLIER RELATIONS IN CHILE
- ✓ PASS ON BEST PRACTICES DEVELOPED IN CHILE

### KEY INITIATIVES:

- ✓ VALUE PROPOSITION, HIGH-LOW STRATEGY AND COMMERCIAL EFFICIENCY
- ✓ GREATER AVAILABILITY OF PRODUCTS
- ✓ NEW MANAGEMENT



## CONSTRUMART<sup>(1)</sup>

- ✓ CONTINUE IMPROVING CONSTRUMART'S SALES, MARGINS AND PROFIT

### KEY INITIATIVES:

- ✓ TRANSITION FROM B2B TO B2C
- ✓ IMPROVE SUPPLY CHAIN STRUCTURE
- ✓ OPTIMIZE STORE PORTFOLIO

(1) CONSTRUMART CONTINUES TO BE AVAILABLE FOR SALE.

# EBITDA RECONCILIATION

## FINANCIAL INFORMATION (US\$MM)

	FOR THE YEAR ENDED DECEMBER 31		FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30	
	2013	2014	2015	2016
PROFIT (LOSS) FOR THE PERIOD	(807)	(152)	(57)	16
LESS				
INCOME TAXES	119	119	47	11
NET LOSSES ON INDEXATION UNITS	(19)	(61)	(44)	(23)
EXCHANGE DIFFERENCE	(19)	(40)	(50)	33
SHARE OF PROFIT (LOSS) OF ASSOCIATES AND JOINT VENTURES ACCOUNTED FOR USING EQUITY METHOD	(3)	(3)	(2)	(2)
FINANCIAL COSTS	(115)	(107)	(108)	(80)
FINANCIAL INCOME	2	2	2	2
OTHER GAINS (LOSSES)	(567)	(67)	16	(7)
DEPRECIATION AND AMORTIZATION	(101)	(98)	(90)	(68)
LOSS FROM DISCONTINUED OPERATIONS	(76)	-	-	-
EBITDA	(28)	104	173	147

SOURCE: COMPANY INFORMATION. ILLUSTRATIVE FX ASSUMED: CLP658 02/US\$ AS OF SEPTEMBER 30, 2016 (CONVENIENCE TRANSLATION FOR REFERENCE PURPOSES ONLY).