



Santiago
BTG IV Andean CEO Conference

November 2015

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- ✓ **Company Overview**
- ✓ Market Overview
- ✓ Strategic Plan
- ✓ Financial Highlights
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Company Overview

Established in 1920, the brand has been present in the Chilean market for almost a century.

- ❖ 6,837 Employees
- ❖ 38 Stores
- ❖ Sales surface 157 Th. Sqm.
- ❖ 526 th. active credit card holders (N° 6 in the industry)
- ❖ More than 20 Private labels, representing 35% of retail revenues
- ❖ 9% Market Share

LA POLAR

laPolar 

laPolar®



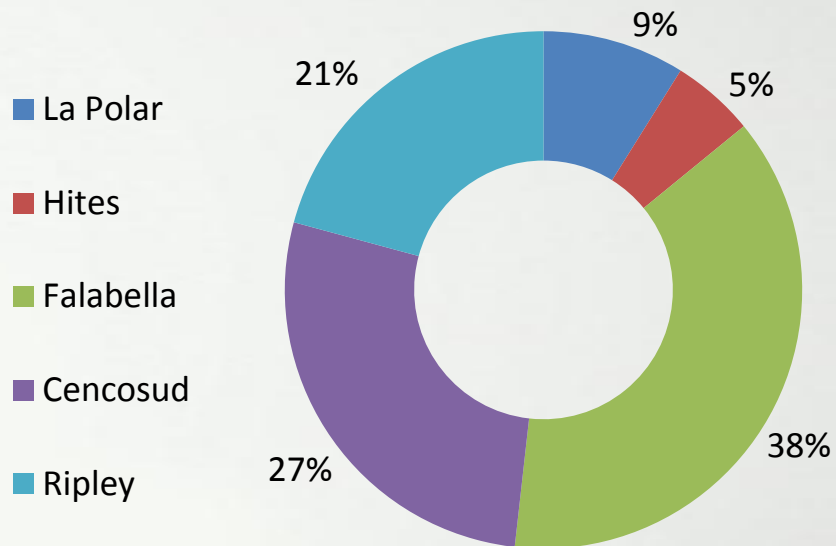
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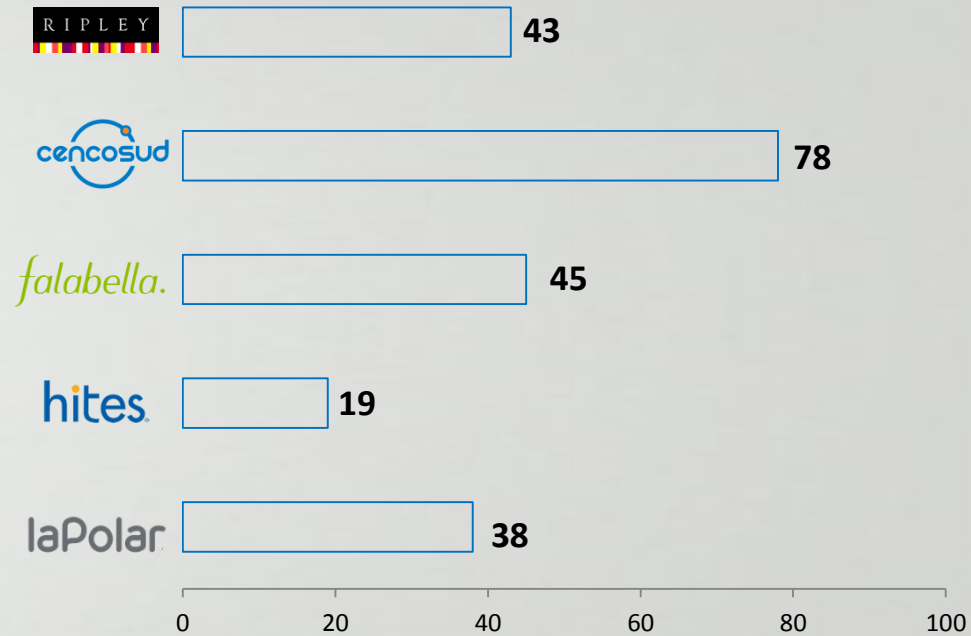


Market Overview

Department Store Market Share (revenues)

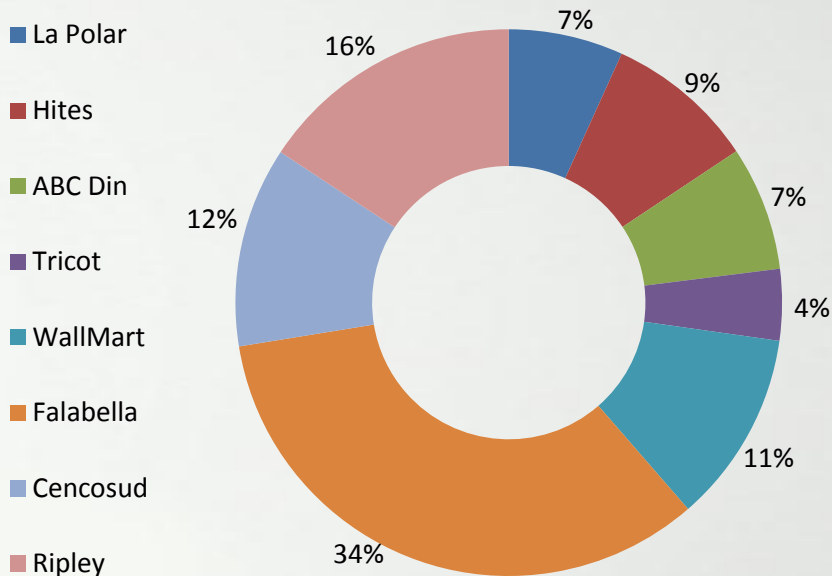


N° of Stores

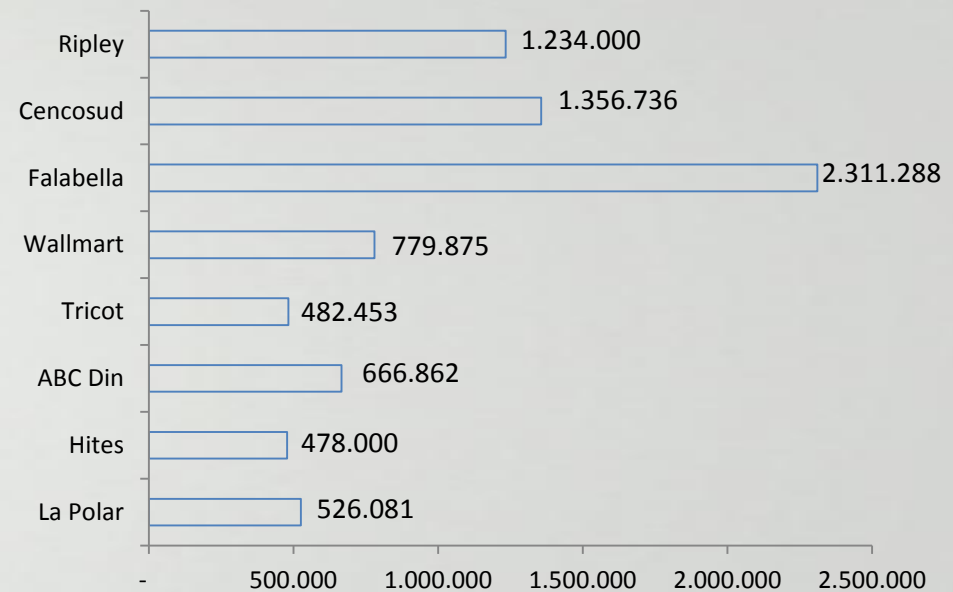


Market Overview

Financial Market Share (revenues)



Open accounts w/balance



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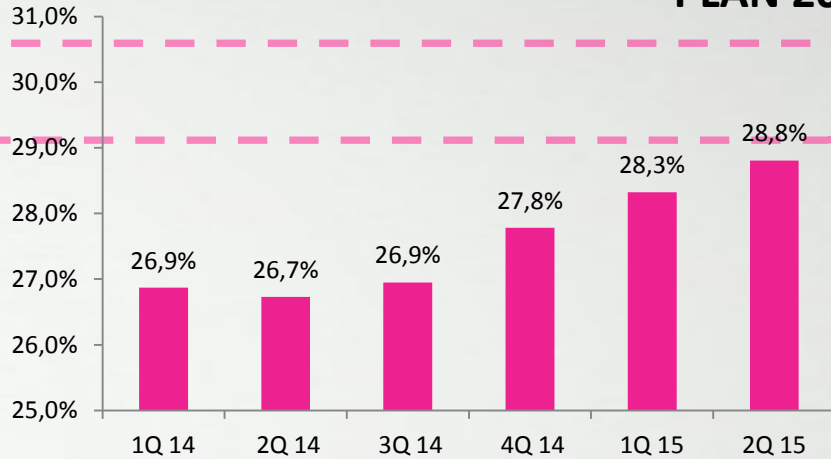
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Retail /SG&A

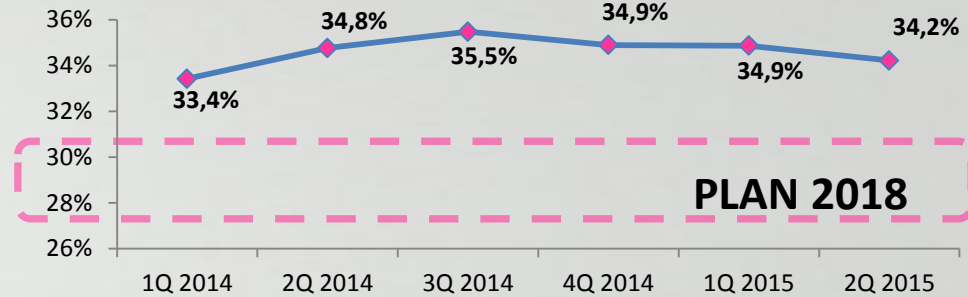
Retail Margin LTM

PLAN 2018



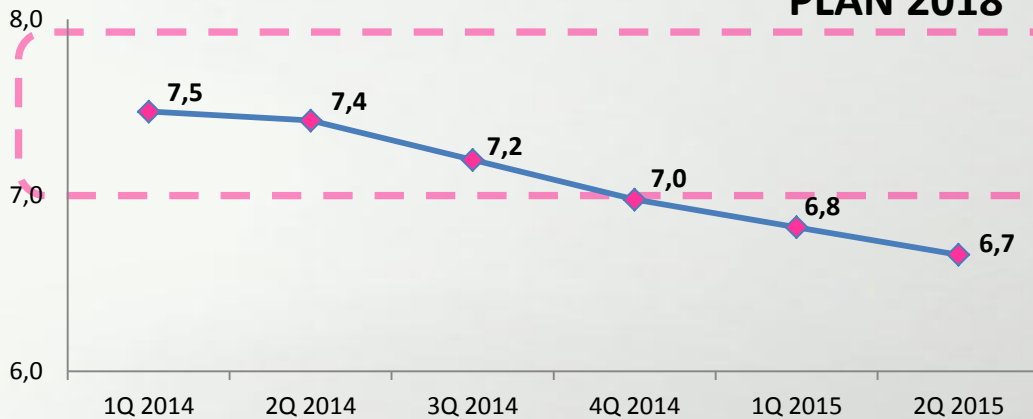
Consolidated SG&A w/o Depreciation LTM

◆ SG&A/Consolidated Revenues (1)



Sales UF/sqm LTM (per month)

PLAN 2018



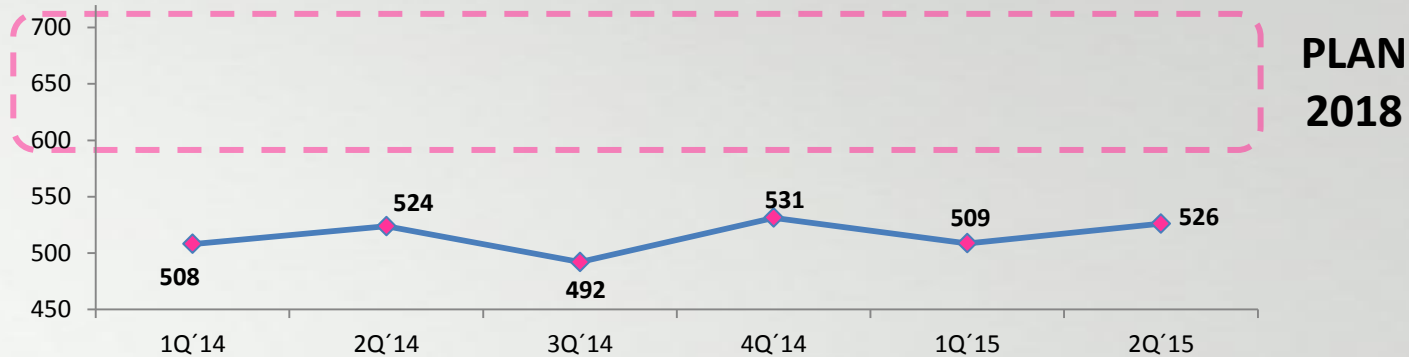
Challenges

- ✓ Grow with our private labels
- ✓ Efficiency in SG&A

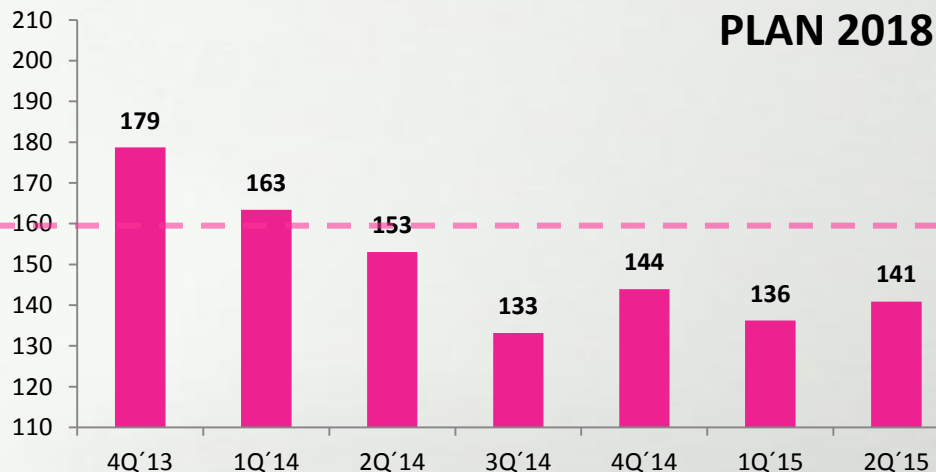


Financial /SG&A

Open accounts w/balance (Th.)



Credit Card Loan Stock (CLP \$ B)



Challenges

- ✓ Keep the Risk Rate between 10% - 11%
- ✓ Implementation of Visa in early 2016



La Polar VISA



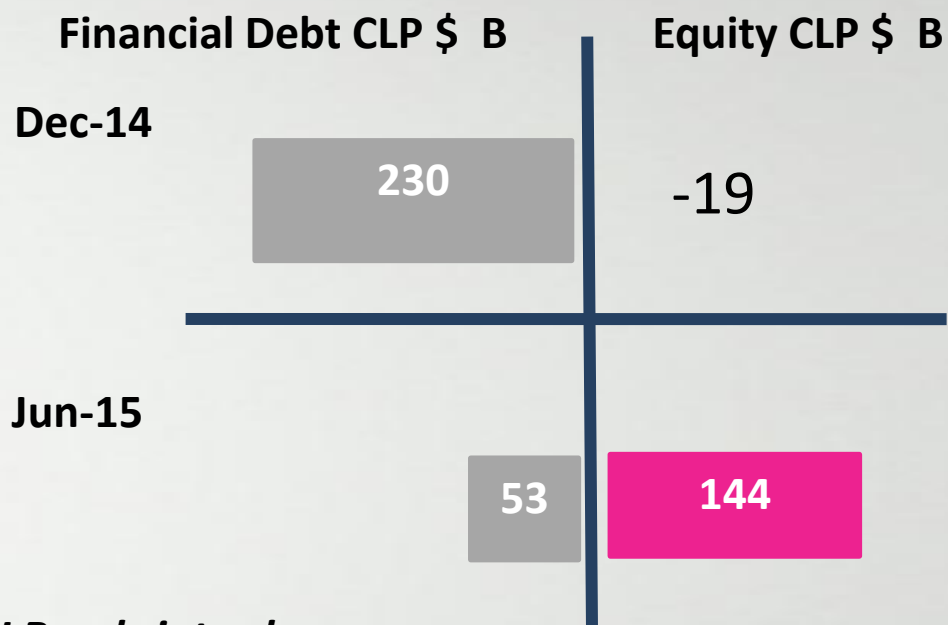
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Financial Highlights

Financial Debt Reestructuring 2014



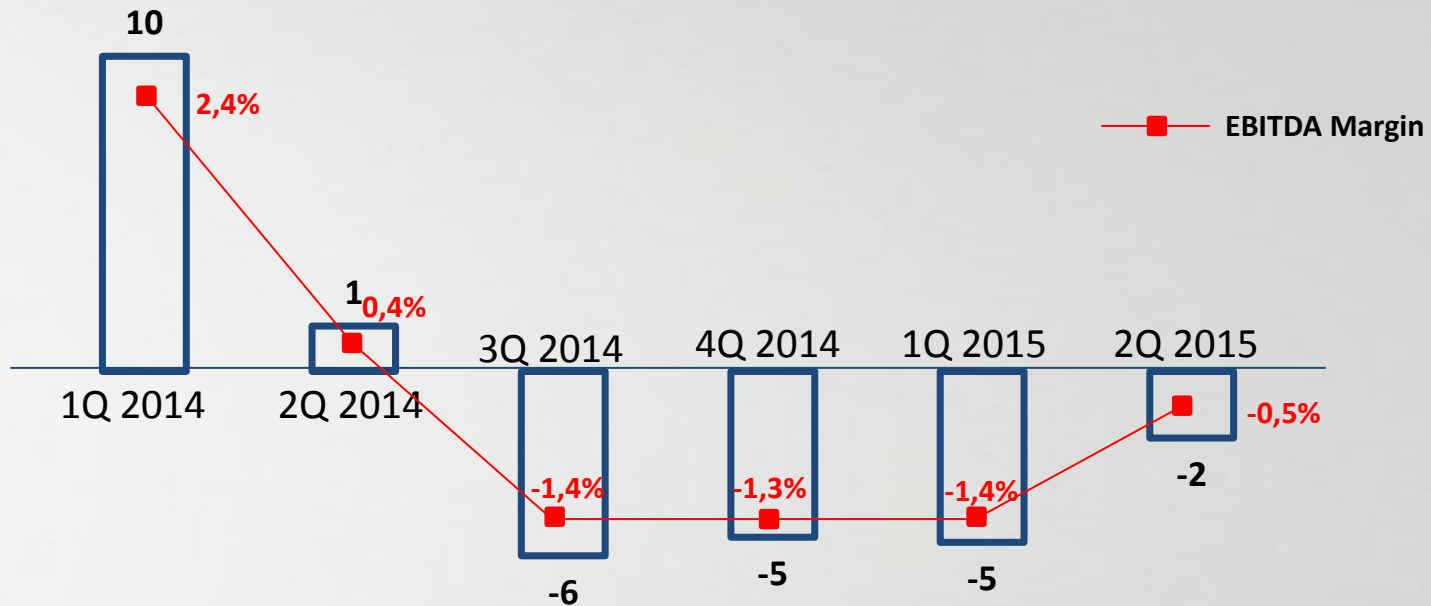
Conversion of H Bonds into shares

N° of Shares 06-02-2015	Shares NOV 2015	New Shares	H Bonds (eq Shares) not converted NOV 2015
998,617,522	1.606.190.395	607.572.873	1.389.652.171



Financial Highlights

EBITDA CLP \$ B LTM



Quarter CLP \$ M	1Q 2014	2Q 2014	3Q 2014	4Q 2014	1Q 2015	2Q 2015
EBITDA	(1,757)	(1,321)	(5,372)	3,253	(1,918)	1,946



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P&L 2Q 2015

CLP \$ B	Consolidated			Retail			Financial		
	2Q 2015	△	2Q 2014	2Q 2015	△	2Q 2014	2Q 2015	△	2Q 2014
Revenues	94,2	-6,1%	100,4	77,6	-6,3%	82,8	17,8	-6,3%	19,0
Costs	(60,1)		(64,9)	(53,3)		(58,6)	(7,1)		(6,6)
Gross Margin	34,1	-3,8%	35,4	24,3	0,2%	24,2	10,7	-13,3%	12,4
% Revenues	36,2%		35,3%	31,3%		29,2%	60,3%		65,2%
SG&A (w/o depreciation)	(32,1)	-12,6%	(36,8)	(25,1)	-11,8%	(28,4)	(8,0)	-16,1%	(9,5)
% Revenues	-34,1%		-36,6%	-32,3%		-34,3%	-44,8%		-50,0%
EBITDA	2,0		(1,3)	(0,8)		(4,2)	2,8		2,9
% Revenues	2,1%		-1,3%	-1,0%		-5,1%	15,5%		15,2%

Depreciation	(2,6)	(2,0)
Operating Income	(0,6)	(3,3)
Non - Operating Income	(3,3)	(7,5)
Profit (Loss) Before Taxes	(3,9)	(10,8)
Benefits (Expenses) Income Tax	(0,5)	(1,0)
Profit (Loss)	(3,4)	(11,8)



Appendix

P&L 1H 2015

CLP \$ B	Consolidated			Retail			Financial		
	1H 2015	△	1H 2014	1H 2015	△	1H 2014	1H 2015	△	1H 2014
Revenues	178,9	-6,8%	192,0	146,2	-6,1%	155,8	35,2	-9,9%	39,1
Costs	(116,2)		(125,3)	(103,3)		(113,5)	(13,5)		(12,5)
Gross Margin	62,7	-6,0%	66,7	42,9	1,4%	42,3	21,7	-18,4%	26,6
% Revenues	35,0%		34,7%	29,3%		27,1%	61,7%		68,1%
SG&A (w/o depreciation)	(62,6)	-10,2%	(69,8)	(48,2)	-8,3%	(52,5)	(16,4)	-15,9%	(19,5)
% Revenues	-35,0%		-36,3%	-32,9%		-33,7%	-46,6%		-49,9%
EBITDA	0,0		(3,1)	(5,3)		(10,2)	5,3		7,1
% Revenues	0,0%		-1,6%	-3,6%		-6,6%	15,1%		18,2%

Depreciation	(4,4)	(3,8)
Operating Income	(4,4)	(6,8)
Non - Operating Income	(7,6)	(14,1)
Profit (Loss) Before Taxes	(12,0)	(21,0)
Benefits (Expenses) Income Tax	2,7	0,6
Profit (Loss)	(9,3)	(21,4)



Appendix

Balance Sheet

	CLP B\$ 2Q'15	CLP B\$ 2Q'14	CLP B\$ 2Q'15
Current Assets			
Cash and Cash equivalents	16	13	21
Current Trade and Accounts Receivables	114	111	110
Inventory	56	55	58
Other Current Assets	33	48	42
Total Current Assets	219	228	231
Non-Current Assets			
Long-term account receivable	22	37	31
Properties, plant and equipment	53	61	59
Other Non - Current Assets	24	23	20
Total Non - Current Assets	99	120	111
Total assets	319	348	342
Current Liabilities			
Other Current Financial Liabilities	29	24	44
Other Trade and Other Account Payable	54	68	64
Other Current Liabilities	13	13	17
Total Current Liabilities	97	104	125
Non - Current Liabilities			
Long Term Financial Debt	24	189	186
Other Non - Current Liabilities	54	46	50
Total Non - Current Liabilities	78	234	236
Total Liabilities	175	338	361
Equity	144	9	(19)



Where do we come from

June 2011: La Polar goes into a severe financial crisis

August 2011: New CEO is appointed (Patricio Lecaros)

May 2012: Agreement with Chile's Consumer Protection Agency

June 2013: We repurchased of 26% of the Junior Bond

July 2011: New Board of Director takes office

November 2011: Settlement with creditors is reached

October 2012: US\$280 mill capital increase

March 2014: The Board of directors announces the retreat of Colombia in the short term

March 2014: The company announces the beginning of the debt restructure

August 2014: The Shareholders meeting approves the debt restructure

December 2014: The bonds conversion (F &G) was approved

May 2015: Mr Vilajuna is appointed as Chairman of the board

July 2014: The Board of directors announces Mr Gino Manriquez as new Interim CEO

September 2014: The Creditors meeting approves the debt restructure

February 2015: The bonds conversion started

September 2015: Mr Andres Eyzaguirre is appointed as new CEO





Juan Enrique Vilajuana
Chairman of the Board

Business and
Administration ,
Universidad de Chile

Board of Directors

- Jorge Id S., Vice Chairman
- Pedro Pellegrini R.
- Alberto Mario Sobredo del Amo
- Juan Enrique Vilajuana
- Richard Walter Urresti Gundlach
- Bernardo Fontaine T.
- Cristobal Hurtado



Andres Eyzaguirre Astaburuaga
CEO
Business and Administration , Pontificia
Universidad Católica

Committee	Risk	Directors	Retail
Pedro Pellegrini R.	*	*	
Jorge Id S.		*	*
Alberto Mario Sobredo del Amo		*	*
Juan Enrique Vilajuana	*		
Richard Walter Urresti Gundlach	*		
Bernardo Fontaine T.			*
Cristobal Hurtado			*





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Disclaimer:

Actual results could differ materially from these forward-looking statements as a result of a number of factors, including but not limited to risks more fully described in our financial statements.





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