UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington , D.C. 20549

FORM 6 - K

Report of Foreign Private Issuer

Pursuant to Rule 13a - 16 or 15d - 16 under

the Securities Exchange Act of 1934

For the month of May , 2017

Commission File Number 001-35575

Cencosud S.A.

(Translation of registrant's name into English)

Av. Kennedy 9001, Piso 6
Las Condes, Santiago
Chile
(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F ☒ Form 40 F ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): ☐

This report on Form 6-K is being furnished for the purpose of providing a copy of the registrant's unaudited condensed consolidated interim financial statements as of and for the three month period ended March 31, 2017 (the “Consolidated Financial Statements”). The Consolidated Financial Statements are presented in Chilean pesos and prepared in accordance with International Financial Reporting Standards.

The attachment contains forward-looking statements. The registrant desires to qualify for the “safe-harbor” provisions of the Private Securities Litigation Reform Act of 1995, and consequently is hereby filing cautionary statements identifying important factors that could cause the registrant’s actual results to differ materially from those set forth in such forward-looking statements.

The registrant’s forward-looking statements are based on the registrant’s current expectations, assumptions, estimates and projections about the registrant and its industry. These forward-looking statements can be identified by words or phrases such as “anticipate,” “believe,” “continue,” “estimate,” “expect,” “intend,” “is/are likely to,” “may,” “plan,” “should,” “would,” or other similar expressions.

The forward-looking statements included in the attached involve various risks and uncertainties, including, among others: (i) changes in general economic, business or political or other conditions in Chile, Argentina, Brazil, Peru, Colombia or elsewhere in Latin America or global markets; (ii) changes in capital markets in general that may affect policies or attitudes towards investing in Chile, Argentina, Brazil, Peru, Colombia or securities issued by companies in such countries; (iii) the monetary and interest rate policies of the Central Banks of Chile, Argentina, Brazil, Peru and Colombia; (iv) high levels of inflation or deflation; (v) unanticipated increases in financing and other costs or our inability to obtain additional debt or equity financing on attractive terms; (vi) movements in interest and/or foreign exchange rates, and movements in equity prices or other rates or prices; (vii) changes in, or failure to comply with, applicable regulations or changes in taxes; (viii) loss of market share or changes in competition and pricing environments in the industries in which the Company operates; (ix) difficulties in successfully integrating recent and future acquisitions into the Company’s operations; (x) the Company’s inability to hedge certain risks economically; (xi) changes in consumer spending and saving habits; (xii) implementation of new technologies; (xiii) limitations on the Company’s ability to open new stores and operate them profitably; (xiv) difficulties in completing proposed store openings, expansions or remodeling; (xv) difficulties in acquiring and developing land in Chile, Argentina, Brazil, Peru or Colombia, and restrictions on opening new large stores in any such countries; and (xvi) the factors discussed under the heading “Risk Factors” as well as risks included in the Company’s other filings and submissions with the United States Securities and Exchange Commission.

Although the registrant believes that its expectations expressed in these forward-looking statements are reasonable, its expectations may turn out to be incorrect. The registrant’s actual results could be materially different from its expectations. In light of the risks and uncertainties described above, the estimates and forward-looking statements discussed in the attached might not occur, and the registrant’s future results and its performance may differ materially from those expressed in these forward-looking statements due to, including, but not limited to, the factors mentioned above. Because of these uncertainties, you should not make any investment decision based on these estimates and forward-looking statements.

The forward-looking statements made in the attached relate only to events or information as of the date on which the statements are made in the attached. The registrant undertakes no obligation to update any forward-looking statements to reflect events or circumstances after the date on which the statements are made or to reflect the occurrence of unanticipated events.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Cencosud S.A.

By: /s/ Sebastián Rivera Mart'nez

Name: Sebastián Rivera Mart'nez

Title: Legal Manager

Date: May 31, 2017

Cencosud S.A. and subsidiaries, condensed consolidated interim statements of financial position

Assets	Note	As of March 31, 2017 ThCh$ (unaudited)	As of December 31, 2016 ThCh$
Current assets			
Cash and cash equivalents		210,730,480	275,219,003
Other financial assets, current	5	135,722,987	219,988,622
Other non-financial assets, current		40,047,676	23,628,279
Trade receivables and other receivables	6	810,966,618	867,139,677
Receivables due from related entities, current		19,752,035	28,988,176
Inventory	8	1,189,061,331	1,149,286,014
Current tax assets		92,771,518	74,135,647
Total current assets other than non-current assets held for sale		2,499,052,645	2,638,385,418
Assets classified as held for sale	21	64,335,677	57,123,872
Total current assets		2,563,388,322	2,695,509,290
Non-current assets			
Other financial assets, non-current	5	260,141,584	287,360,674
Other non-financial assets, non-current		54,238,261	52,335,275
Trade receivable and other receivables, non-current	6	15,405,265	11,893,706
Equity method investment		203,199,847	200,727,534
Intangible assets other than goodwill	9	413,353,370	408,168,114
Goodwill	10	1,474,940,351	1,432,319,489
Property, plant and equipment	11	2,597,225,118	2,578,793,573
Investment property	12	2,118,997,973	2,081,694,027
Non-current tax assets,		87,840,827	83,376,450
Deferred income tax assets		650,353,766	616,579,356
Total non-current assets		7,875,696,362	7,753,248,198
Total assets		10,439,084,684	10,448,757,488

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Cencosud S.A. and subsidiaries, condensed consolidated interim statements of financial position

Net equity and liabilities	Note	As of March 31, 2017 ThCh$ (unaudited)	As of December 31, 2016 ThCh$
Current liabilities			
Other financial liabilities, current	13	421,486,044	408,009,016
Trade payables and other payables		1,775,953,152	1,926,847,052
Payables to related entities, current		14,397,527	18,722,919
Provisions and other liabilities	14	12,125,285	11,779,434
Current income tax liabilities		75,154,539	74,585,510
Current provision for employee benefits		84,938,467	106,496,839
Other non-financial liabilities, current		40,966,569	26,977,677
Total current liabilities other than non-current assets held for sale		2,425,021,583	2,573,418,447
Liabilities classified as held for sale	21	6,952,107	15,669,233
Total current liabilities		2,431,973,690	2,589,087,680
Non-current liabilities			
Other financial liabilities,	13	2,886,736,735	2,903,625,666
Trade accounts payables		4,154,208	4,803,725
Provisions and other liabilities	14	69,875,329	68,256,160
Deferred income tax liabilities		742,903,658	719,542,091
Non-current income tax liabilities		13,700,884	-
Other non–financial liabilities, non–current		80,710,692	79,390,431
Total non-current liabilities		3,798,081,506	3,775,618,073
Total liabilities		6,230,055,196	6,364,705,753
Equity			
Paid-in capital	15	2,420,564,735	2,420,564,735
Retained earnings		2,542,197,135	2,489,410,413
Issuance premium		461,302,097	461,302,097
Other reserves		(1,214,712,932)	(1,286,017,106)
Equity attributable to controlling shareholders		4,209,351,035	4,085,260,139
Non-controlling interest		(321,547)	(1,208,404)

Total equity	4,209,029,488	4,084,051,735
Total equity and liabilities	10,439,084,684	10,448,757,488

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Cencosud S.A. and subsidiaries, condensed consolidated interim statement of profit and loss (unaudited)

Statements of profit and loss	Note	For the three months ended 3/31/2017	3/31/2016
		ThCh$	ThCh$
Revenues from ordinary activities	18	2,523,563,293	2,481,884,240
Cost of Sales	16	(1,785,921,395)	(1,765,306,972)
Gross Profit		**737,641,898**	**716,577,268**
Other income by function	16	29,472,472	40,774,188
Distribution cost	16	(6,438,007)	(6,242,744)
Administrative expenses	16	(585,030,025)	(541,751,349)
Other expenses by function	16	(39,740,805)	(36,495,483)
Other losses, net	16	(2,677,663)	(3,462,534)
Operating profit		**133,227,870**	**169,399,346**
Finance income	16	4,043,544	3,840,794
Finance expenses	16	(66,617,768)	(69,323,451)
Participation in profit of equity method associates		4,508,818	2,860,171
Exchange differences	16	31,615,843	38,525,604
Losses from indexation	16	(2,785,855)	(3,468,411)
Profit before income tax		**103,992,452**	**141,834,053**
Income tax expense	17	(35,915,116)	(32,805,216)
Profit from continuing operations		**68,077,336**	**109,028,837**
Profit from discontinued operations	22	-	-
Profit attributable to controlling shareholders		67,167,284	107,681,808
Profit attributable to non–controlling shareholders		910,052	1,347,029
Net Profit		**68,077,336**	**109,028,837**
Earnings per share			
Basic earnings per share from continued operations		23.5	38.1
Basic earnings per share from discontinued operations		-	-
Diluted earnings per share from continued operations		23.5	37.8
Diluted earnings per share from discontinued operations		-	-

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Cencosud S.A. and subsidiaries, condensed consolidated interim statement of comprehensive income (loss) (unaudited)

Statements of comprehensive income (loss)	For the three months ended 3/31/2017 ThCh$	3/31/2016 ThCh$
Net Profit	**68,077,336**	**109,028,837**
Other comprehensive profit		
Items that will not be reclassified to profit and loss		
Revaluation surplus	-	-
Re-measurements of employee benefit obligations	-	-
Total OCI that will not be reclassified to profit and loss	-	-
Items that may be reclassified to profit and loss		
Foreign currency translation losses	82,017,006	(92,461,573)
Cash flow hedge	(16,209,131)	(139,627)
Total items that may be reclassified to profit and loss	**65,807,875**	**(92,601,200)**
Other comprehensive income, before taxes	**65,807,875**	**(92,601,200)**
Income tax related to revaluation surplus	-	-
Income tax related to re-measurement of employee benefit obligations	-	-
Total income tax that will not be reclassified to profit and loss	-	-
Income tax related to cash flow hedge	4,376,465	38,945
Total income tax that may be reclassified to profit and loss	**4,376,465**	**38,945**
Total other comprehensive loss	**70,184,340**	**(92,562,255)**
Total comprehensive income (loss)	**138,261,676**	**16,466,582**
Income (loss) attributable to		
Owners of the Company	137,374,819	15,371,505
Non-controlling interest	886,857	1,095,077
Total comprehensive income (loss)	**138,261,676**	**16,466,582**

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Cencosud S.A. and subsidiaries,
Condensed consolidated interim statement of changes in net equity
for the three months ended March 31, 2017 (unaudited)

Statement of changes innet equity ThCh$	Paid-incapital	Share premium	Revaluation surplus reserves	Translationr eserves	Hedge reserves	Employee benefit reserves	Share based payments reserves	Other reserves	Total reserves	Retained earnings	Equity attributable to parent company shareholders	Non-controlling interest	Total equity
Opening balance as of January 1, 2017	2,420,564,735	461,302,097	14,252,148	(1,250,381,663)	(22,078,872)	(1,120,048)	26,949,962	(53,638,633)	(1,286,017,106)	2,489,410,413	4,085,260,139	(1,208,404)	4,084,051,735
Changes in equity													
Net profit	-	-	-	-	-	-	-	-	-	67,167,284	67,167,284	910,052	68,077,336
Other comprehensive (loss) profit	-	-	-	82,040,201	(11,832,666)	-	-	-	70,207,535	-	70,207,535	(23,195)	70,184,340
Total Comprehensive (loss) profit	**-**	**-**	**-**	**82,040,201**	**(11,832,666)**	**-**	**-**	**-**	**70,207,535**	**67,167,284**	**137,374,819**	**886,857**	**138,261,676**
Share issuance	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	(14,380,562)	(14,380,562)	-	(14,380,562)
Stock option (see Note 20)	-	-	-	-	-	-	1,096,628	-	1,096,628	-	1,096,628	-	1,096,628
Decrease due to changes in ownership interest without a loss of control	-	-	-	-	-	-	-	11	11	-	11	-	11
Total transactions with owners	**-**	**-**	**-**	**-**	**-**	**-**	**1,096,628**	**11**	**1,096,639**	**(14,380,562)**	**(13,283,923)**	**-**	**(13,283,923)**
Total Changes in equity	**-**	**-**	**-**	**82,040,201**	**(11,832,666)**	**-**	**1,096,628**	**11**	**71,304,174**	**52,786,722**	**124,090,896**	**886,857**	**124,977,753**
Ending balance, as of March 31, 2017	**2,420,564,735**	**461,302,097**	**14,252,148**	**(1,168,341,462)**	**(33,911,538)**	**(1,120,048)**	**28,046,590**	**(53,638,622)**	**(1,214,712,932)**	**2,542,197,135**	**4,209,351,035**	**(321,547)**	**4,209,029,488**

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Cencosud S.A. and subsidiaries,
Condensed consolidated interim statement of changes in net equity
for the three months ended March 31, 2016 (unaudited)

Statement of changes innet equity ThCh$	**Paid-incapital**	**Share premium**	**Revaluation surplus reserves**	**Translation reserves**	**Hedge reserves**	**Employee benefit reserves**	**Share based payments reserves**	**Other reserves**	**Total reserves**	**Retained earnings**	**Equity attributable to parent company shareholders**	**Non-controlling interest**	**Total equity**
Opening balance as of January 1, 2016	2,321,380,936	526,633,344	-	(1,187,109,821)	14,859,584	(229,427)	19,276,599	(52,476,934)	(1,205,679,999)	2,329,411,478	3,971,745,759	(933,941)	3,970,811,818
Changes in equity													
Net profit	-	-	-	-	-	-	-	-	-	107,681,808	107,681,808	1,347,029	109,028,837
Other comprehensive (loss) profit	-	-	-	(92,209,621)	(100,682)	-	-	-	(92,310,303)	-	(92,310,303)	(251,952)	(92,562,255)
Total Comprehensive (loss) profit	**-**	**-**	**-**	**(92,209,621)**	**(100,682)**	**-**	**-**	**-**	**(92,310,303)**	**107,681,808**	**15,371,505**	**1,095,077**	**16,466,582**
Share issuance	48,837,899	(35,102,239)	-	-	-	-	-	-	-	-	13,735,660	-	13,735,660
Dividends	-	-	-	-	-	-	-	-	-	(24,151,239)	(24,151,239)	-	(24,151,239)
Stock option (see Note 20)	-	-	-	-	-	-	3,739,726	-	3,739,726	-	3,739,726	-	3,739,726
Decrease due to changes in ownership interest without a loss of control	-	-	-	-	-	-	-	(1,161,699)	(1,161,699)	-	(1,161,699)	(52,597)	(1,214,296)
Total transactions with owners	**48,837,899**	**(35,102,239)**	**-**	**-**	**-**	**-**	**3,739,726**	**(1,161,699)**	**2,578,027**	**(24,151,239)**	**(7,837,552)**	**(52,597)**	**(7,890,149)**
Total Changes in equity	**48,837,899**	**(35,102,239)**	**-**	**(92,209,621)**	**(100,682)**	**-**	**3,739,726**	**(1,161,699)**	**(89,732,276)**	**83,530,569**	**7,533,953**	**1,042,480**	**8,576,433**
Ending balance, as of March 31, 2016	**2,370,218,835**	**491,531,105**	**-**	**(1,279,319,442)**	**14,758,902**	**(229,427)**	**23,016,325**	**(53,638,633)**	**(1,295,412,275)**	**2,412,942,047**	**3,979,279,712**	**108,539**	**3,979,388,251**

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Cencosud S.A. and subsidiaries,
Condensed consolidated interim statements of cash flows (unaudited)

	For the three months ended March 31,	
	2017	**2016**
	ThCh$	**ThCh$**
Cash flows from (used in) operating activities		
Types of revenues from operating activities		
Revenue from sale of goods and provision of services	3,126,287,700	3,003,212,238
Other operating activities revenue	4,927,075	5,896,987
Types of payments		
Payments to suppliers for supply of goods and services	(2,614,020,513)	(2,583,357,497)
Payments to and on behalf of personnel	(363,279,335)	(305,999,620)
Other operating payments	(154,456,609)	(155,528,361)
Interest paid	(27,470)	(5,288)
Interest received	19,335	588,135
Taxes paid	(29,955,192)	(19,709,011)
Other cash inflows (outflows)	(2,902,577)	987,025
Cash flows from (used in) operating activities (continuing operations)	(33,407,586)	(53,915,392)
Cash flows used in operating activities (discontinued operations).	-	-
Net cash flow (used in) from operating activities	(33,407,586)	(53,915,392)
Cash flows (used in) from investing activities		
Cash flows used to acquire non-controlled interests	-	(1,434,532)
Cash flows from sales of other entities' equity or debt instruments	-	9,010,753
Proceeds from sales of property, plant and equipment	392,748	1,779,681
Purchases of property, plant & equipment	(42,461,362)	(41,889,961)
Purchases of intangible assets	(9,406,431)	(8,074,386)
Interest received	500,456	435,537
Proceeds from sale of other financial assets—mutual funds	3,518,610,985	953,380,279
Purchases of other financial assets—mutual funds	(3,435,611,104)	(797,536,248)
Cash flows from (used in) investing activities (continuing operations)	32,025,292	115,671,123
Cash flows used in investment activities (discontinued operations)… .	-	-
Net cash flow from (used in) investment activities	32,025,292	115,671,123
Cash flows from (used in) financing activities		
Proceeds from exercise of stock options	-	13,735,660
Proceeds from borrowing at long–term	-	-

Proceeds from borrowing at short–term	37,795,315	45,464,010
Total loan proceeds from borrowing	37,795,315	45,464,010
Repayments of borrowing	(21,888,435)	(40,479,068)
Interest paid	(83,280,534)	(76,680,969)
Other cash outflows	(584,191)	(1,570)
Cash flows used in financing activities (continuing operations) ..	(67,957,845)	(57,961,937)
Cash flows from financing activities (discontinued operations).. .	-	-
Net cash flow used in financing activities	(67,957,845)	(57,961,937)
Net increase (decrease) in cash and cash equivalents before the effects of exchange rates variations	**(69,340,139)**	**3,793,794**
Effects of variations in the exchange rate on cash and cash equivalents	4,851,616	(20,529,028)
Net decrease in cash and cash equivalents	(64,488,523)	(16,735,234)
Cash and cash equivalents at the beginning of the period	275,219,003	268,275,126
Cash and cash equivalents at the end of the period	210,730,480	251,539,892
Incuded in cash and cash equivalents per the statement of financial situation	210,730,480	251,539,892
Incuded in the assets of the disposal group	-	-

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

1 General information

Cencosud S.A. (hereinafter "Cencosud Group," "the Company," "the Holding," "the Group") taxpayer ID number 93.834.000-5 is a public corporation with an indefinite life, with its legal residence at Avda. Kennedy 9001, 4th floor, Las Condes, Santiago, Chile.

Cencosud S.A. is a public company registered with the Chilean Superintendence of Securities and Insurance (SVS), under No.743, which shares are quoted in Chile on the Stock Brokers-Stock Exchange (Valpara'so), the Chilean Electronic Stock Exchange and the Santiago Stock Exchange; it is also quoted on the United States of America Stock Exchange ("NYSE") in New York in the form of American Depositary Receipts (ADRs).

Cencosud S.A. is a retail operator in Latin America, which has active operations in Chile, Argentina, Brazil, Colombia and Peru, where it has developed a successful multi-format and multi-brand strategy reaching sales of ThCh$ 2,523,563,293 as of March 31, 2017.

During the year ended March 31, 2017, the Company employed an average of 136,963 employees, ending with a total number of 135,235 employees.

The Company's operations include supermarkets, hypermarkets, home improvement stores, department stores, shopping centers, as well as real estate development and financial services, which makes it the most diversified retail company of Latin-American capital in South America with the biggest offering of square meters, it caters to the consumption needs of over 180 million customers.

Additionally, it operates other lines of business that complement the main retail operations, such as insurance brokerage, a travel agency, customer loyalty services and family entertainment centers. All of these services have gained recognition and prestige among customers, with brands that excel at quality and service.

The Company splits its equity among 2,862,536,947 shares of a single series whose main shareholders are the following:

Major shareholders as of March 31, 2017	Shares	Interest %
Inversiones Quinchamali Limitada	573,754,802	20.044 %
Inversiones Latadia Limitada	550,823,211	19.243 %
Inversiones Tano Limitada	287,328,548	10.038 %
Banco de Chile on behalf of third parties	190,547,411	6.657 %
Banco Itau on behalf of investors	158,753,528	5.546 %
Provida C Pension Fund	75,326,810	2.632 %
Horst Paulmann Kemna	70,336,573	2.457 %
Banco Santander - JP Morgan	59,184,339	2.068 %
Fondo de Pensiones Habitat C	54,606,787	1.908 %
Capital C Pension Fund	50,153,631	1.752 %
Cuprum C Pension Fund	45,557,640	1.592 %
Provida B Pension Fund	43,323,908	1.514 %
Other shareholders	702,839,759	24.553 %
Total	2,862,536,947	100.000 %

The Cencosud group is controlled by the Paulmann family, as detailed below:

Interest of Paulmann family as of March 31, 2017	**Interest**
	%
Inversiones Quinchamali Limitada	20.044 %
Inversiones Latadia Limitada	19.243 %
Inversiones Tano Limitada	10.038 %
Horst Paulmann Kemna	2.457 %
Manfred Paulmann Koepfer	0.486 %
Peter Paulmann Koepfer	0.492 %
Heike Paulmann Koepfer	0.486 %
Succession of Mrs. Helga Koepfer Schoebitz	0.113 %
Inversiones Alpa Limitada	0.002 %
Total	53.360 %

These condensed consolidated interim financial statements of Cencosud group as of March 31, 2017, were approved by the Board of Directors in a session held on May 25, 2017.

2 Summary of the main accounting policies

2.1 Presentation basis

The consolidated financial statements of Cencosud S.A. have been prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB).

These condensed consolidated interim financial statements for the three months ended March 31, 2017 have been prepared in accordance with IAS 34, "Interim financial reporting" and do not include all the information required for a complete set of IFRS annual financial statements. Accordingly, the condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended December 31, 2016, which have been prepared in accordance with IFRS.

The presentation of the financial statements in conformity with IFRS requires the use of certain accounting estimates, and also requires Management to exercise its judgment in the process of applying the Company's accounting policies. Note 4 to these financial statements shows the areas in which a greater level of judgment has been applied, or where there is a higher level of complexity and therefore hypothesis and estimates are material to the financial statements.

Figures in the accompanying financial statements are expressed in thousands of Chilean pesos, as the Chilean peso is the functional and presentation currency of the Company. All values have been rounded to the nearest thousands of pesos, except where mentioned.

For the purpose of presenting comparative information, certain figures presented on the consolidated financial statements of the Group as of December 31, 2016 have been reallocated based on the presentation shown on the consolidated financial statement as of March 31, 2017.

2.2 New and amended standards adopted by the group

(a) The following standards and interpretations are compulsory for the first adoption for annual periods beginning on or after January 1, 2017.

Amendments and improvements

Amendment to IAS 7 — Statement of Cash Flows. Issued on February 2016. The amendments are intended to clarify IAS 7 to improve disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.

Amendment to IAS 12 — Income Taxes. Issued on February 2016. The IASB had concluded that the diversity in practice around the recognition of a deferred tax asset that is related to a debt instrument measured at fair value is mainly attributable to uncertainty about the application of some of the principles in IAS 12. Therefore the amendments consist of some clarifying paragraphs and an illustrating example.

Management has assessed the adoption of these standards, amendments and interpretations, and it has concluded that there are not a material impact on Financial Statements of the Group.

(b) New standards, amendments and interpretations not yet adopted.

Standards and interpretations	Description	Application for annual periods beginning on or after:
IFRS 9 "Financial Instruments"	The complete version of IFRS 9 replaces most of the guidance in IAS 39. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39.	01-01-2018
IFRS 15 "Revenue from Contracts with Customers"	This standard defines a new model to recognize revenue from contracts with costumers. The standard deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognized when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations.	01-01-2018
IFRS 16 "Leases"	Specifies how an IFRS reporter will recognise, measure, present and disclose leases. The new standard brings most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and finance leases. Lessor accounting however remains largely unchanged and the distinction between operating and finance leases is retained. The standard also provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value.	01-01-2019
IFRIC 22 — Foreign Currency Transactions and Advance Consideration	IFRIC 22 clarifies the accounting for transactions that include the receipt or payment of advance consideration in a foreign currency.	01-01-2018

Amandments and improvements	Description	Application for annual periods beginning on or after:
Amendment to IFRS 2 — Share-based Payment	The amendments to IFRS 2 clarify the classification and measurement of share-based payment transactions. The amendments address several requests that the IASB and the IFRS Interpretations Committee received and that the IASB decided to deal with in one combined narrow-scope project.	01-01-2018
Amendment to IFRS 15 — Revenue from Contracts with Customers	The amendments in Clarifications to IFRS 15 'Revenue from Contracts with Customers' address three of the five topics identified (identifying performance obligations, principal versus agent considerations, and licensing) and provide some transition relief for modified contracts and completed contracts. The IASB concluded that it was not necessary to amend IFRS 15 with respect to collectability or measuring non-cash consideration. In all its decisions, the IASB considered the need to balance helping entities with implementing IFRS 15 and not disrupting the implementation process.	01-01-2018
Amendment to IAS 40 — Investment Property	The amendment provides guidance on transfers to, or from, investment properties. More specifically, the question was whether a property under construction or development that was previously classified as inventory could be transferred to investment property when there was an evident change in use.	01-01-2018
Amendment to IFRS 12 — Disclosure of Interests in Other Entities	The amendment clarifies the scope of the standard by specifying that the disclosure requirements in the standard, except for those in paragraphs B10–B16, apply to an entity’s interests listed in paragraph 5 that are classified as held for sale, as held for distribution or as discontinued operations in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations	01-01-2018
Amendment to IAS 28 — Investments in Associates and Joint Ventures (2011)	The amendment clarifies that the election to measure at fair value through profit or loss an investment in an associate or a joint venture that is held by an entity that is a venture capital organisation, or other qualifying entity, is available for each investment in an associate or joint venture on an investment-by-investment basis, upon initial recognition	01-01-2018
Amendment to IFRS 10 — Consolidated Financial Statements	The IASB has made limited scope amendments to IFRS 10 Consolidated financial statements and IAS 28 Investments in associates and joint ventures. The amendments clarify the accounting treatment for sales or contribution of assets between an investor and its associates or joint ventures. They confirm that the accounting treatment depends on whether the non-monetary assets sold or contributed to an associate or joint venture constitute a ‘business’ (as defined in IFRS 3 Business Combinations). Where the non-monetary assets constitute a business, the investor will recognise the full gain or loss on the sale or contribution of assets. If the assets do not meet the definition of a business, the gain or loss is recognised by the investor only to the extent of the other investor’s investors in the associate or joint venture. The amendments apply prospectively. ** In December the IASB decided to defer the application date of this amendment until such time as the IASB has finalised its research project on the equity method.	N/A**

These standards, amendments and interpretations are not expected to have a material impact on the Group, except for the following:

IFRS 9 - Financial Instruments

IFRS 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets.

While the Group has not yet undertaken a detailed assessment of the classification and measurement of financial assets, debt instruments currently classified as available-for-sale (AFS) financial assets would appear to satisfy the conditions for classification as at fair value through other comprehensive income (FVOCI) and hence there will be no change to the recognition of such assets.

The other financial assets held by the group mainly include:

- Mutual Fund Shares
- Derivatives (hedging and economical)
- Highly liquid financial instruments, and
- Financial investments long term

The Group does not expect the new guidance to have a significant impact on the classification and measurement of these financial assets.

There will be no impact on the group's recognition for financial liabilities, as the new requirements only affect the recognition for financial liabilities that are designated at fair value through profit or loss and the group does not have liabilities with such classification. The derecognition rules have been transferred from IAS 39 Financial Instruments: Recognition and Measurement and have not been changed.

The new hedge accounting rules will align the recognition for hedging instruments more closely with the group's risk management practices. As a general rule, more hedge relationships might be eligible for hedge accounting, as the standard introduces a more principles-based approach. While the Group is yet to undertake a detailed assessment, it would appear that the Group's current hedge relationships would qualify as accounting hedges upon the adoption of IFRS 9. Accordingly, the Group does not expect a significant impact on the accounting for its hedging relationships.

The new impairment model requires the recognition of impairment provisions based on expected credit losses (ECL) rather than only incurred credit losses as is the case under IAS 39. It applies to financial assets classifies at amortized cost, debt instruments measured at FVOCI, contracts under IFRS 15 Revenue from Contracts with Costumers, lease receivables, loan commitments and certain financial guarantee contracts. While the group has not yet undertaken a detailed assessment of how its impairment provisions would be affected by the new model, it may result in an earlier recognition of credit losses.

The new standard also introduces expanded disclosure requirements and changes in presentation. These are expected to change the nature and extend of the Group's disclosures about its financial instruments particularly in the year of the adoption of the new standard.

IFRS 9 must be applied mandatorily for financial years commencing on or after January 1, 2018.
The Group does not intend to adopt IFRS 9 before its mandatory date. At this stage, the Group does not intend to adopt the standard before its effective date.

IFRS 15 - Revenue from Contracts with Costumers

The IASB has issued a new standard for the recognition of revenue. This will replace IAS 18 which covers contracts for goods and services and IAS 11 which covers construction contracts.

The new standard is based on the principle that revenue is recognized when control of a good or service transfers to a customer.

The standard permits a full retrospective or modified retrospective approach for adoption.

Management is currently assessing the effects of applying the new standard on the Group’s financial statements and has identified the following areas that are likely to be affected:

- Accounting for the customers loyalty program – IFRS 15 requires that the total consideration received must be allocated to the points and goods based on relative stand-alone selling prices rather than based on the residual value method; this could result in different amounts being allocated to the goods sold and deffera in the recognition of a portion of the revenue, and
- GIFT CARD - IFRS 15 allows that when it is adequately established the rate of wastage from clients, over their totalcontractual rights (breakage), the variable consideration treatment is given and a portion of such rightsis recognized as revenue; This could lead to a recognition of revenue in advance.

IFRS 15 must be applied mandatorily for financial years commencing on January 1, 2018. The expected date of adoption by the Group: January 1, 2018. At this stage, the Group is not able to estimate the impact of this new standard on the Group´s financial statements, the Group will make a more detailed assessment of the impact over the next twelve months.

IFRS 16 - Leases

IFRS 16 was issued in January 2016. It will result in almost all leases being recognized on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognized. The only exceptions are short-term and low-value leases.

The accounting for lessors will not significantly change.

The standard will affect primarily the recognition of the Group's operating leases. As at the reporting date, the Group has non-cancellable operating leases commitments of MM $ 1,728,759. However, the Group has not yet determined to what extend these commitments will result in the recognition of an asset and liability for future payments and how this will affect the Group's profit and classification of cash flows.

Some of the commitments may be covered by the exception for short-term and low-value leases and some commitments may relate to arrangements that will not qualify as leases under the new IFRS 16 definitions.

IFRS 16 is mandatory for financial years commencing on or after January 1, 2019. At this stage, the Group does not intend to adopt the standard before its effective date.

2.3 Accounting policies

The accounting policies adopted are consistent with those applied during the previous financial year and corresponding interim reporting period.
Income taxes for interim periods are accounted for using the tax rate that would be applicable to expected total annual income before taxes.

2.4 Changes in accounting policies

The Company assess accounting policies frequently, and decide to change any of the adopted standards only if the change: i) is required by a new IFRS ; or ii) results in the financial statements providing reliable and more relevant information about the effects of transactions, other events or conditions on the entity's financial position, financial performance, or cash flows.

No changes in accounting policies have been adopted by the Company during for the three months ended March 31, 2017 and 2016.

2.5 Income tax.

On September 29, 2014, Law No. 20,780 was enacted and published in the Official Gazette, introducing various amendments to the current income tax law and taxation rules for other taxes in Chile. Under the recently enacted tax law, the income tax rate will increase to 21%, 22.5%, 24%, 25.5% and 27%, for the years 2014, 2015, 2016, 2017 and 2018 and following fiscal years, respectively, such newly enacted rates are applicable based on the Company's adoption of the partially integrated system.

The above implies that the income tax rate in Chile is 25.5% for the 2017 fiscal year. Therefore, for the close of the financial statements as of March 31, 2017, a tax rate of 25.5% has been considered in the determination of the income tax provision in Chile.

2.6 Assets and liabilities held for sale and discontinued operations

Non current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and the sale is considered highly probable. Assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell, except forinvestment properties, financials instruments and others that are carried at fair value. An impairment loss is recognized for any initial or subsequent write down of the asset (or disposal group) to fair value less cost to sell. A gain is recognized for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognized. A gain or loss not previously recognized by the date of the sale of the non current asset (or disposal group) is recognized at the date of recognition. Non-current assets (including those that are part of disposal group) are notdepreciated or amortized while they are classified as held for sale.

Non current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the statement of financial position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the statement of financial position.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations, net of tax, are presented separately in the statement of profit and loss. Net cash flows attributable to the operating, investing and financing activities of discontinued operations are required to be disclosed either in the notes to the financial statements or on the face of the statements of cash flows. IFRS 5 requires that a company "re-present" its statement of comprehensive income as if the operation had been discontinued for all prior periods presented.

Assets held for sale, and associated liabilities, are detailed on note 21 to these condensed interim financial statements.

2.7 Seasonability

The Company experiences distinct seasonal sales patterns at supermarkets due to heightened consumer activity throughout the Christmas and New Year holiday season, as well as during the beginning of each school year in March. During these periods, the Company promotes the sale of non-food items particularly by discounting imported goods, such as toys throughout the Christmas holiday season, and school supplies during the back-to-school period. Conversely, the Company usually experiences a decrease in sales during the summer vacation months of January and February.

The Company does not experience significant seasonality in the home improvement sector.

Department stores have also experienced historically distinct seasonal sales patterns due to heightened consumer activity throughout the Christmas and New Year holiday season. As a result, the strongest quarter in terms of sales is the fourth quarter.

Shopping center revenues generally increase during the Christmas and New Year holiday season, reflecting the seasonal sales peak for shopping centers.

3 Risk management policies

The Company is exposed to a variety of financial risks: market risk (including interest rate risk and foreign exchange rate risk), credit risk and liquidity risk.

The condensed interim consolidated financial statements do not include all financial risk management information and disclosure required in the annual financial statements, and should be read in conjunction with the Company's annual consolidated financial statements as of December 31, 2016.

There have been no changes in the risk management policies and procedures between the dates of the annual and these interim consolidated financial statements as of March 31, 2017.

3.1. Valuation methodology (initially and subsequently).

Financial instruments that have been accounted for at fair value in the statement of financial position as of March 31, 2017 and December 31, 2016 have been measured using the methodologies as set forth in IFRS 13. These methodologies applied for each class of financial instruments are classified using the following hierarchy:

Level I: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted (unadjusted) market prices at the end of the reporting period. The quoted marked price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

Level II: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level III: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments;
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves;
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value;
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

Group valuation process

The Group has established control framework with respect to the measurements of fair value. This includes a valuation team that has an overall responsibility for overseeing all significant fair value measurements, including level 3 fair values, and reports directly to the regional CFO.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence from third parties to support the conclusion that such valuations meet the requirements of IFRS, including the fair value hierarchy in which such valuation should be classified.

Taking into account the nature and characteristics of the instruments maintained in its portfolio, the Company classifies its valuation methodologies in the three aforementioned levels. Currently, the valuation process considers internally developed valuation techniques, for which parameters and observable market inputs are used, mainly using the present value methodology.

As of March 31, 2017 and December 31, 2016, the Group has no financial instruments that have been valuated using inputs assessed as level III, however, the procedures above are in line with the Group policies regarding the estimation and review of the inputs used in fair-valuing financial asset and recurrent and non-recurrent non-financial assets.

The tables below show the total value of each type of the financial instruments valued under each category, and its respective percentage, as of March 31, 2017 and December 31, 2016:

Table Valuation methodologies.

March 2017

Classification	Group	Type	Valuation method Value	Level I	Level II	Level III	Amortized cost
			ThCh$	%	%	%	%
At fair value through profit or loss	Mutual funds	Mutual funds	106,873,757	100%	-	-	-
	Other financial Instruments	Highly liquid financial instruments	28,849,230	100%	-	-	-
		Other financial investments	255,539	100%	-	-	-
Loans and trade receivables, net	Cash and cash equivalents	Cash balances	36,243,319	-	-	-	100%
		Bank balances	119,425,033	-	-	-	100%
		Short-term deposits	55,062,128	-	-	-	100%
	Receivables	Trade receivables, net	826,371,883	-	-	-	100%
	Receivables from related entities	Related entities, current	19,752,035	-	-	-	100%
Financial liabilities and payables	Bank loans	Current	244,555,004	-	-	-	100%
		Non-Current	199,969,698	0.1%	-	-	99.9%
	Bonds payable	Current	109,291,538	-	-	-	100.0%
		Non-Current	2,608,318,115	0.3%	-	-	99.7%
	Other loans (lease)	Current	2,701,004	-	-	-	100%
		Non-Current	19,253,821	-	-	-	100%
	Deposits and saving accounts	Current	54,496,733	-	-	-	100%
		Non-Current	44,713,727	-	-	-	100%
	Debt purchase affiliates	Non-Current	1,834,202	-	-	-	100%
	Other financial liabilities	Current	2,401,062	-	-	-	100%
	Trade payables	Current	1,575,117,514	-	-	-	100%
		Non-Current	191,783	-	-	-	100%
	Withholding taxes	Current	200,835,638	-	-	-	100%
		Non-Current	3,962,425	-	-	-	100%
	Payables to related entities	Current	14,397,527	-	-	-	100%
	Other financial liabilities	Forward	1,845,932	-	100%	-	-
Hedges	Hedging derivatives	Cash flow hedging liability	13,058,576	-	100%	-	-
		Fair value hedging liability	5,783,367	-	100%	-	-
		Cash flow hedging asset	241,515,051	-	100%	-	-
		Fair value hedging asset	18,370,994	-	100%	-	-

December 2016

Classification	Group	Type	Value	Level I	Level II	Level III	Amortized cost
				Valuation method			
			ThCh$	%	%	%	%
At fair value through profit or loss	Mutual funds	Mutual fund shares	189,960,780	100%	-	-	-
	Derivatives	Forward	1,398,557	-	100%	-	-
	Other financial Instrument	Highly liquid financial instruments	28,629,285	100%	-	-	-
		Financial investments – long term	240,874	100%	-	-	-
Loans and trade receivables, net	Cash and cash equivalents	Cash balances	52,646,980	-	-	-	100%
		Bank balances	135,282,148	-	-	-	100%
		Short-term deposits	87,289,875	-	-	-	100%
		Trade receivables, net	879,033,383	-	-	-	100%
	Receivables from related parties	Related parties, current	28,988,176	-	-	-	100%
Financial liabilities and payables	Bank loans	Current	215,393,417	-	-	-	100%
		Non-Current	206,299,337		0.1%	-	99.9%
	Bonds payable	Current	127,530,284	-	-	-	100.0%
		Non-Current	2,618,875,407		0.3%	-	99.7%
	Other loans (lease)	Current	2,713,893	-	-	-	100%
		Non-Current	19,256,643	-	-	-	100%
	Deposits and saving accounts	Current	56,128,948	-	-	-	100%
		Non-Current	45,030,033	-	-	-	100%
	Debt purchase affiliates	Non-Current	1,722,769	-	-	-	100%
	Other financial liabilities	Current	2,091,081	-	-	-	100%
	Trade payables	Current	1,726,983,368	-	-	-	100%
		Non-Current	191,397	-	-	-	100%
	Withholding taxes	Current	199,863,684	-	-	-	100%
		Non-Current	4,612,328	-	-	-	100%
	Payables to related parties	Current	18,722,919	-	-	-	100%
Hedges	Hedging derivatives	Cash flow hedging liabilities	13,514,328	-	100%	-	-
		Fair value hedging liabilities	3,078,542	-	100%	-	-
		Cash flow hedging assets	264,820,710	-	100%	-	-
		Fair value hedging assets	22,299,090	-	100%	-	-

Instruments classified as Level II correspond mainly to interest rate swaps and cross currency swaps that have been valued by discounting the future cash flows stipulated in the contract for both the asset and liability component of each instrument. The structure of interest rates used to bring the future cash flows to present value is constructed based on the currency of each component and inferred from transactions involving risk-free instruments in the relevant market.

The Group recognizes transfers between levels of the fair value hierarchy at the end the reporting period during the change has occurred. As of March 31, 2017 and December 31, 2016, there have been no transfers between level I and II, and transfers out of level III to another level of fair value.

3.2. Reclassifications.

As of the end of this reporting period, the Company has not reclassified any entries in the aforementioned financial instrument categories.

3.3. Liquidity risk.

The concept of liquidity risk is used by the Company to refer to financial uncertainty, at different time horizons, related to its capacity to respond to cash needs to support its operations, under both normal and exceptional circumstances.

Compared to year ended, there was no material change in the contractual undiscounted cash out flows for financial liabilities that affect the Company´s liquidity risk.

3.4 Fair value of financial assets and liabilities measured at amortized cost.

In order to estimate the fair value of debt instruments accounted for at amortized cost, the Company has estimated the cash flows from variable interest obligations using relevant swap curves. The structure of interest rates used to bring the future cash flows to present value is constructed based on the currency of each obligation and corresponds to the risk-free curve in the relevant market plus a credit spread inferred from the initial contractual conditions of each obligation.

The fair value of borrowings (bank loans and bons payables) which are classified within Level II of the fair value hierarchy, are as follows:

	As of	
Borrowings	**March 31,2017**	**December 31,2016**
	ThCh$	**ThCh$**
Current	354,152,386	338,155,386
Non-Current	2,857,234,092	2,893,489,541
Total	3,211,386,185	3,231,944,927

The fair value of the following financial assets and liabilities approximate their carrying amount:

- Trade and other receivables
- Other current financial assets
- Cash and cash equivalents (excluding bank overdrafts)
- Trade and other payables
- The following assets and liabilities within the held-for-sale disposal group:
  - Cash and cash equivalents
  - Other current assets
  - Trade and other payables
  - Borrowings
  - Other current liabilities

4 Estimates, judgment or criteria applied by management

The estimates and criteria used are continuously assessed and are based on prior experience and other factors, including the expectation of occurrence of future events that are considered reasonable according to the circumstances.

The preparation of interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed interim financial statements, the significant judgments made by management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended December 31, 2016, with the exception of changes in estimates that are required in determining the provision for income taxes and changes derived from adoption of new pronouncements as mentioned in Note 2.5.

4.1 Investment property

a) Fair value measurement for lands

The fair value for land was determined by the Company's finance department, consulting with external and independent property valuers who have the appropriate recognized professional qualification and recent experience in the location and category of the property being valued.

The methodology used in determining the fair value of lands was the market approach, which consists of determining the fair value based on recent transactions occurred in the market.

This measurement corresponds to level II of the fair value hierarchy.

b) Fair value measurements for investment properties other than land.

The Company's finance department is responsible for determining fair value measurements included in the financial statements, including Level 3 fair values of investment properties. The Company's finance department includes a valuations team that prepares a valuation for each investment property every quarter. The valuation team reports directly to the Chief Financial Officer (CFO) and the Audit Committee (AC).Discussions of valuation processes, key inputs and results are held between the CFO, AC and the valuation team at least once every quarter, in line with the Company's quarterly reporting dates.

The fair value measurement for this type of investment has been categorized as a level III fair value based on the inputs used in the valuation technique. Investment properties are valued on a highest and best use basis. Changes in Level 3 fair values are analyzed at each reporting date during the quarterly valuation discussions between the CFO, AC and the valuation team. As part of this discussion, the team presents a report that explains the reasons for the fair value movements.

For all of the Company's investment properties, the current use is considered to be the highest and best use.

The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer. There were no transfers in or out of Level 3 fair value measurements for investment properties during the period, nor transfers between Level 1 and Level 2 of the fair value hierarchy.

For investment property the methodology of the discounted future cash flows uses a country-specific WACC post- tax rate, measured in real terms and differentiated by country. To this effect, a calculation is performed to obtain the net revenues that correspond to the lease income minus the direct costs and operating expenses. Additionally, the projected cash flows used the historical information of the recent years and the projected macroeconomic variables that will affect each country.

The rates used as of March 31, 2017 and December 31, 2016 are as follows:

Country	WACC rate as of 3/31/2017	WACC rate as of 12/31/2016
Chile	6.11%	6.19%
Argentina	12.17%	12.27%
Peru	6.66%	6.75%
Colombia	6.98%	7.03%

The cash flows are calculated in a scenario of moderated growth for those investment properties that have reached the expected maturity level and the main variables used are:

1. Determination of the Discount Rate

The discount rate is reviewed quarterly for each country and consists of the following factors:

a) BETA: Because the American market presents a greater number of comparable companies within this industry, using betas of companies in that country.
b) Risk-free rate: It draws on the U.S. Treasury rate at 30 years (30yr T-Bond)
c) Risk premium: Estimated on long-term returns of the stock market and the country risk of each transaction, estimated by the Credit Default Swap to 10 years (10yr CDS). In the case of Argentina's country risk used is the average of the last three years.
d) Leverage Ratio: Estimated as of BETA referring them on 66.4% equity and 33.6% debt.
e) Tax rate: We use the tax rate in effect in each country
f) Spread: The international bond spread of Cencosud is used to estimate the return on debt which is similar to the Industry spread. With all these factors we estimate the discount rate (WACC) nominal and real, the latter being used as the flow is estimated at UF (Unidad de Fomento) in Chile, or adjusted for inflation in Peru and Argentina

2. Revenue growth:

The evolution of income depends on the property, but remains between 0.5% and 1.0% annual real growth, except those newly opened malls whose maturation does expect superior performance improved in the first years of operation. The revenue projection is reviewed quarterly so that it is aligned to the budget approved by the board in the short term and that their expectations of long-term trends are in line with the life cycle in which the asset is (Shopping).

3. Growth in costs and expenses:

As income, change in expenditure depends on the property but always reflects the standard structure resulting from the operation of such properties and operating agreements signed with tenants. These are also reviewed quarterly to be aligned with the budget and expected evolution for each Shopping.

4. Investment Plan:

For each shopping center, the Company reviews whether the investment plans is in line with the characteristics of each property and the life cycle in which they are placed.

Based on the points described above, the estimated available flow projection thirty-year term, after which is estimated a perpetuity. The present value of these flows determines the fair value of the investment property.

5. Valuation technique and Inter-relationship between key unobservable inputs.

Valuation technique (Discounted cash flows): The valuation model considers the present value of the net cash flows to be generated from the property taking into account expected revenue growth, occupancy rates, other cost and expenses not paid by tenants. The expected net cash flows are discounted using risk-adjusted discount rates (see above on "determination of discount rate"). Among other factors, the discount rate estimation considers the quality of a building and its location, tenant credit and lease terms.

Class	Country (*)	Unobservable input	Range
Malls	Chile	Expected revenue growth (real)	0.5% - 1%
		Occupancy rate	90% - 100%
	Argentina	Expected revenue growth (real)	0.5% - 1%
		Occupancy rate	90% - 100%
Office	Chile	Expected revenue growth (real)	0.5% - 1%
		Occupancy rate (1 st through 5 th year)	50% - 90%
		Thereafter	80% - 98%

(*) The group concentrates 89% of the total of the investment properties in Chile and Argentina.

The estimated fair value of the investment properties would increase (decrease) if:

- Risk-adjusted discount rate were lower (higher)
- Expected revenue growth were higher (lower)
- The occupancy rate were higher (lower)

5 Other financial assets, current and non-current

The composition of this item as of March 31, 2017 and December 31, 2016 includes the following:

Other financial assets, current	As of March 31, 2017	As of December 31, 2016
	ThCh$	ThCh$
Mutual Funds units (*)	106,873,757	189,960,780
Hedging derivatives	-	1,398,557
Highly liquid financial instruments	28,849,230	28,629,285
Total other financial assets, current	135,722,987	219,988,622

Other financial assets, non-current	As of March 31, 2017	As of December 31, 2016
	ThCh$	ThCh$
Hedging derivatives	259,886,045	287,119,800
Financial investments Long term	255,539	240,874
Total other financial assets, non-current	260,141,584	287,360,674

(*) Mutual Funds units are mainly fixed rate investments.

6 Trade receivables and other receivables

Trade receivables and other receivables as of March 31, 2017 and December 31, 2016 are as follows:

Trade receivables and other receivables net, current	As of March 31, 2017	As of December 31, 2016
	ThCh$	ThCh$
Trade receivables net, current	134,405,144	187,736,950
Credit card receivables net, current	443,673,091	409,219,883
Other receivables, net, current	232,888,383	270,182,844
Total	810,966,618	867,139,677

Trade receivables and other receivables, net, non-current	As of March 31, 2017	As of December 31, 2016
	ThCh$	ThCh$
Trade receivables net, non-current	-	373,386
Credit card receivables net, non-current	11,554,198	8,412,427
Other receivables, net, non-current	3,851,067	3,107,893
Total	15,405,265	11,893,706

Trade receivables and other receivables, gross, current	As of March 31, 2017	As of December 31, 2016
	ThCh$	ThCh$
Trade receivables gross, current	143,315,999	201,676,904
Credit card receivables gross, current	464,684,308	428,296,390
Other receivables gross, current	248,091,486	280,824,236
Letters of credit loans	-	158,572
Total	856,091,793	910,956,102

Trade receivables and other receivables, gross, non-current	As of March 31, 2017	As of December 31, 2016
	ThCh$	ThCh$
Trade receivables gross, non-current	-	373,386
Credit card receivables gross, non-current	11,554,198	8,412,427
Other receivables gross, non-current	3,851,067	3,107,893
Total	15,405,265	11,893,706

Trade receivables and other receivables close to maturity	As of March 31, 2017	As of December 31, 2016
	ThCh$	ThCh$
Less than three months	581,692,750	645,374,201
Between three and six months	95,201,373	88,253,127
Between six and twelve months	70,485,825	73,541,986
In more than twelve months	15,405,265	11,893,706
	762,785,213	819,063,020

Total	

The maturity of past due trade receivables as of March 31, 2017 and December 31, 2016 is as follows:

Trade receivables past due but not impaired	As of March 31, 2017	As of December 31, 201
	ThCh$	ThCh$
Past due less than three months	81,483,623	77,517,208
Past due between three and six months	10,327,689	10,223,002
Past due between six and twelve months	6,188,321	3,325,672
Past due in more than twelve months	10,712,212	12,720,906
Total	108,711,845	103,786,788

The movement of the bad debt allowance is as follows:

Change in bad debt allowance	As of March 31, 2017	As of December 31, 2016
	ThCh$	ThCh$
Initial balance	43,816,425	44,636,783
Increase in provision	34,999,650	57,105,655
Utilized provision	(12,388,797)	(26,885,538)
Decrease in provision	(21,302,103)	(31,040,475)
Total	45,125,175	43,816,425

The maximum exposure to credit risk at the date of the report is the book value in each category of the trade account; Cencosud Group does not request collateral as a guarantee.

7 Transactions with related parties

Transactions with related companies are based on immediate payment or collection or with a term of up to 30 days, and are not subject to special conditions. These operations comply with what is established in articles 44 and 49 of Law N° 18,046 that regulates the Corporations. It is noteworthy that the related party transactions are in accordance with IAS 24 (Revised) "Related Parties". The Company has a policy to disclose all transactions performed with related parties during the period.

7.1 Trade receivables from related entities

The composition of the item as of March 31, 2017 and December 31, 2016 is as follows:

		Receivables from related entities				Balance as of			
						Current		Non Current	
Tax ID Number	**Company**	**Transaction description**	**Transaction term**	**Nature of relationship**	**Currency**	**3/31/2017**	**12/31/2016**	**3/31/2017**	**12/31/2016**
						ThCh$	**ThCh$**		
99.500.840-8	CAT Administradora de Tarjetas S.A.	Trade receivable	Current	Associate	Chilean Pesos	11,678,020	20,226,071	-	-
99.500.840-8	CAT Administradora de Tarjetas S.A.	Dividends receivable	Current	Associate	Chilean Pesos	5,488,493	4,135,701	-	-
77.218.570-7	CAT Corredores de Seguros y Servicios S.A.	Trade receivable	Current	Associate	Chilean Pesos	353,190	443,446	-	-
77.218.570-7	CAT Corredores de Seguros y Servicios S.A.	Dividends receivable	Current	Associate	Chilean Pesos	612,604	370,903	-	-
76.388.146-6	Operadora de Procesos S.A.	Dividends receivable	Current	Associate	Chilean Pesos	571,090	487,097	-	-
76.388.146-6	Operadora de Procesos S.A.	Trade receivable	Current	Associate	Chilean Pesos	104,481	2,624,104	-	-
76.388.155-5	Servicios Integrales S.A.	Dividends receivable	Current	Associate	Chilean Pesos	932,117	682,020	-	-
76.388.155-5	Servicios Integrales S.A.	Trade receivable	Current	Associate	Chilean Pesos	12,040	18,834	-	-
Total						**19,752,035**	**28,988,176**	**-**	**-**

7.2 Trade payables to related entities

The composition of the item as of March 31, 2017 and December 31, 2016 is as follows:

		Payables to related entities				Balance as of			
						Current		Non Current	
Tax ID number	**Company**	**Transaction description**	**Transaction term**	**Nature of relationship**	**Currency**	**3/31/2017**	**12/31/2016**	**3/31/2017**	**12/31/2016**
						ThCh$	**ThCh$**	**ThCh$**	
-	Loyalti Del Perú S.A.C.	Fund transfer	Current	Associate	Peruvian New Sol	613,144	675,399	-	-
99.500.840-8	CAT Administradora de Tarjetas S.A.	Trade payable	Current	Associate	Chilean Pesos	12,383,516	16,765,170	-	-
77.218.570-7	CAT Corredores de Seguros y Servicios S.A.	Trade payable	Current	Associate	Chilean Pesos	734,410	243,112	-	-
76.388.146-6	Operadora de Procesos S.A.	Trade payable	Current	Associate	Chilean Pesos	627,524	989,095	-	-
76.388.155-5	Servicios Integrales S.A.	Trade payable	Current	Associate	Chilean Pesos	38,933	50,143	-	-
Total						**14,397,527**	**18,722,919**	**-**	**-**

7.3 *Transactions with related parties and impact on profit and loss*

The operations and its impact on profit and loss are presented for the years ended March 31, 2017 and 2016, as follows:

Tax ID Number	Company	Nature of relationship	Transactions Transaction description	Currency	Country	3/31/2017	Impact to profit and loss (charge/credit)	3/31/2016	Impact to profit and loss (charge/credit)
						ThCh$	ThCh$	ThCh$	ThCh$
96.863.570-0	Inmobiliaria Mall Viña Del Mar S.A.	Associate	Leases paid	Chilean pesos	Chile	-	-	890,000	(890,000)
96.863.570-0	Inmobiliaria Mall Viña Del Mar S.A.	Associate	Utilities Paid	Chilean pesos	Chile	-	-	571,626	(571,626)
96.863.570-0	Inmobiliaria Mall Viña Del Mar S.A.	Associate	Sale of goods	Chilean pesos	Chile	-	-	1,598	1,598
77.209.070-6	Viña Cousiño Macul S.A.	Common director	Merchandise buying	Chilean pesos	Chile	79,332	(79,332)	201,477	(201,477)
92.147.000-2	Wenco S.A.	Common director	Merchandise buying	Chilean pesos	Chile	858,021	(858,021)	968,042	(968,042)
92.147.000-2	Wenco S.A.	Common director	Sale of goods	Chilean pesos	Chile	8,092	8,092	-	-
76.076.630-5	Maxi Kioskos Chile S.A.	Company's Director	Leases collected	Chilean pesos	Chile	209,119	209,119	128,891	128,891
76.076.630-5	Maxi Kioskos Chile S.A.	Company's Director	Utilities collected	Chilean pesos	Chile	85,068	85,068	1,595	1,595
78.410.320-K	Imp y Comercial Regen Ltda.	Company's Director	Merchandise buying	Chilean pesos	Chile	61,901	(61,901)	43,403	(43,403)
78.410.320-K	Imp Y Comercial Regen Ltda.	Company's Director	Leases collected	Chilean pesos	Chile	68,639	68,639	78,242	78,242
78.410.320-K	Imp Y Comercial Regen Ltda.	Company's Director	Sale of goods	Chilean pesos	Chile	7,269	7,269	7,991	7,991
78.410.320-K	Imp Y Comercial Regen Ltda.	Company's Director	Common expenses collected	Chilean pesos	Chile	24,072	24,072	-	-
79.595.200-4	Adelco Santiago Ltda	Company, director relationship	Goods purchases	Chilean pesos	Chile	6,770	6,770	7,931	(7,931)
88.983.600-8	Teleductos S.A.	Common director	Leas collected	Chilean pesos	Chile	10,913	10,913	12,645	12,645
88.983.600-8	Teleductos S.A.	Common director	Services provided	Chilean pesos	Chile	111,172	(111,172)	332,918	(332,918)
92.491.000-3	Labsa Inversiones Ltda.	Company, director relationship	Leases paid	Chilean pesos	Chile	111,973	(111,973)	151,546	(151,546)
93.737.000-8	Manquehue Net S.A.	Common director	Services provided	Chilean pesos	Chile	2,084	(2,084)	5,737	(5,737)
96.566.940-K	Agencias Universales S.A.	Common director	Services provided	Chilean pesos	Chile	9,916	(9,916)	1,672	(1,672)
96.566.940-K	Agencias Universales S.A.	Common director	Sale of goods	Chilean pesos	Chile	5,622	5,622	1,981	1,981
92.580.000-7	Empresa Nacional de Telecomunicaciones S.A.	Common director	Services provided	Chilean pesos	Chile	134,541	(134,541)	111,976	(111,976)
92.580.000-7	Empresa Nacional de Telecomunicaciones S.A.	Common director	Leas collected	Chilean pesos	Chile	24,279	24,279	-	-
90.193.000-7	Empresa El Mercurio.S.A.P.	Common director	Leases paid	Chilean pesos	Chile	9,915	9,915	-	-
90.193.000-7	Empresa El Mercurio.S.A.P.	Common director	Common expenses collected	Chilean pesos	Chile	1,558	1,558	-	-
90.193.000-7	Empresa El Mercurio.S.A.P.	Common director	Services provided	Chilean pesos	Chile	20,623	20,623	21,062	21,062
90.193.000-7	Empresa El Mercurio.S.A.P.	Common director	Services received	Chilean pesos	Chile	698,760	(698,760)	477,292	(477,292)
96.628.870-1	Entel Telefon'a Local S.A.	Common director	Services provided	Chilean pesos	Chile	-	-	4,580	(4,580)
96.806.980-2	Entel PCS Telecomunicaciones S.A.	Common director	Services provided	Chilean pesos	Chile	103,378	(103,378)	135,207	(135,207)
96.806.980-2	Entel PCS Telecomunicaciones S.A.	Common director	Services provided	Chilean pesos	Chile	830,779	(830,779)	839,994	(839,994)
96.806.980-2	Entel PCS Telecomunicaciones S.A.	Common director	Lease collected	Chilean pesos	Chile	331,734	331,734	470,902	470,902
96.806.980-2	Entel PCS Telecomunicaciones S.A.	Common director	Services provided	Chilean pesos	Chile	48,162	48,162	40,723	40,723
96.566.940-K	Cia Nacional de Telefonos,Telefònica del Sur S.A	Common director	Services provided	Chilean pesos	Chile	269	(269)	321	(321)
96.628.870-1	Industria Productos Alimenticios S.A.	Common director	Merchandise buying	Chilean pesos	Chile	314,246	(314,246)	166,630	(166,630)
79.675.370-5	Assets- Chile S.A	Common director	Sale of goods	Chilean pesos	Chile	-	-	1,425	1,425
70.649.100-7	Centros de Estudios Pùblicos	Company, director relationship	Services provided	Chilean pesos	Chile	-	-	162	(162)
O-E	JetAviation Flight Services Inc.	Company, director relationship	Services provided	US Dollar	Chile	293,124	(293,124)	229,256	(229,256)
92434000	Besalco S.A	Common director	Services provided	Chilean pesos	Chile	73	(73)	-	-
88.417.000-1	Sky Airline S.A.	Company, director relationship	Leases collected	Chilean pesos	Chile	-	-	5,682	5,682
99.500.840-8	CAT Administradora de Tarjetas S.A.	Associate	Financial retail income	Chilean pesos	Chile	4,741,908	4,741,908	4,801,441	4,801,441
99.500.840-8	CAT Administradora de Tarjetas S.A.	Associate	Cencosud Card sales	Chilean pesos	Chile	165,074,450	-	172,252,029	-
99.500.840-8	CAT Administradora de Tarjetas S.A.	Associate	Statements collection	Chilean pesos	Chile	279,590,192	-	249,284,855	-
99.500.840-8	CAT Administradora de Tarjetas S.A.	Associate	Leases collected	Chilean pesos	Chile	4,113	4,113	50,269	50,269
99.500.840-8	CAT Administradora de Tarjetas S.A.	Associate	Gift Cards buying	Chilean pesos	Chile	3,133	3,133	186,725	186,725
77.218.570-7	CAT Corredores de Seguros y Servicios S.A.	Associate	Gift Cards buying	Chilean pesos	Chile	20,738	20,738	14,925	14,925
77.218.570-7	CAT Corredores de Seguros y Servicios S.A.	Associate	Merchandise buying	Chilean pesos	Chile	210,886	210,886	83,602	83,602
77.218.570-7	CAT Corredores de Seguros y Servicios S.A.	Associate	Financial retail income	Chilean pesos	Chile	22,145	22,145	47,883	47,883
76.388.155-5	Servicios Integrales S.A.	Associate	Merchandise buying	Chilean pesos	Chile	-	-	3,053	3,053
76.388.155-5	Servicios Integrales S.A.	Associate	Gift Cards buying	Chilean pesos	Chile	-	-	28,970	28,970
76.388.155-5	Servicios Integrales S.A.	Associate	Financial retail income	Chilean pesos	Chile	22,145	22,145	47,883	47,883
76.388.146-6	Operadora de Procesos S.A.	Associate	Commissions payment	Chilean pesos	Chile	1,447,413	(1,447,413)	1,553,213	(1,553,213)
76.388.146-6	Operadora de Procesos S.A.	Associate	Financial retail income	Chilean pesos	Chile	1,694,282	1,694,282	1,982,086	1,982,086

7.4 Board of Directors and key management of the Company

The Board of Directors as of March 31, 2017 is comprised of the following people:

Board of directors	Role	Profession
Horst Paulmann Kemna	Chairman	Businessman
Heike Paulmann Koepfer	Director	Commercial Engineer
Peter Paulmann Koepfer	Director	Commercial Engineer
Roberto Oscar Phillips	Director	National Public Accountant
Cristián Eyzaguirre Johnston	Director	Economist
Richard Büchi Buc	Director	Civil Engineer
David Gallagher Patrickson	Director	Businessman
Julio Moura Neto	Director	Engineer
Mario Valcarce Durán	Director	Commercial Engineer

Key management of the Company as of March 31, 2017 is composed of the following people:

Senior management	Position	Profession
Jaime Soler	Chief Executive Officer	Commercial Engineer
Carlos Mechetti	General Counsel	Attorney at law
Bronislao Jandzio	Audit Managing Director	Business Administrator
Renato Fernández	Corporate Affairs Manager	Journalist
Antonio Ureta Vial	Home Improvement Managing Director	Commercial Engineer
Patricio Rivas	Financial Retail Managing Director	Commercial Engineer
Rodrigo Hetz	Human Resources Director	Industrial Engineer
Andres Artigas	Chief Information Officer	Industrial Engineer
Rodrigo Larrain	Chief Financial Officer	Industrial Engineer
Ricardo Bennett	Department Store Managing Director	Industrial Engineer
Tomás Zabala	Corporate Strategy Manager	Industrial Engineer
Carlos Madina	Shopping Centers Managing Director	Business Administrator

7.5 Board of Directors compensation

In accordance with Article 33 of Law N° 18,046 in regards to Corporations, the Ordinary Shareholders' Meeting held on April 29, 2016, set the following amounts for the 2016 period:

- Fees paid for attending Board sessions: payment of UF 330 each month for those holding the position of Director of the Board and twice this amount for the President of the Board, if and only if they attend a minimum of 10 ordinary sessions each year,
- Fees paid for attending the Directors' Committee: payment to each Director of UF 110 for each session they attend,

The details of the amount paid to Directors for the three months ended March 31, 2017 and 2016 are as follows:

Name	Role	March 31, 2017	March 31, 2016
		ThCh$	ThCh$
Horst Paulmann Kemna	Chairman	52,259	50,925
Heike Paulmann Koepfer	Director	26,130	25,462
Peter Paulmann Koepfer	Director	26,130	25,462
Cristián Eyzaguirre Johnston	Director	26,130	25,462
Roberto Oscar Philipps	Director	34,839	33,950
David Gallagher Patrickson	Director	34,839	33,950
Julio Moura	Director	26,130	25,462
Richard Bûchi Buc	Director	34,839	33,950
Mario Valcarce Durán	Director	34,839	-
Total		296,135	254,623

7.6 Compensation paid to senior management

Key management compensation	March 31, 2017	March 31, 2016
	ThCh$	ThCh$
Salary and other short term employee benefits	1,193,534	1,358,707
Share based payments	779,824	732,630
Total	1,973,358	2,091,337

The Cencosud Group has established an incentive plan, which rewards management for the achievement of individual objectives in the achievement of the company's results. These incentives are structured as a minimum and a maximum of gross compensation and are paid once a year.

8 Inventory

The composition of this item as of March 31, 2017 and December 31, 2016 is as follows:

Inventory category	As of March 31, 2017	As of December 31, 2016
	ThCh$	ThCh$
Raw materials	4,168,070	4,740,484
Goods	1,332,552,430	1,293,309,256
Provisions	(147,659,169)	(148,763,726)
Total	1,189,061,331	1,149,286,014

The composition of inventories by business line as of March 31, 2017 and December 31, 2016 is as follows:

Inventory category	As of March 31, 2017			
	Departmentstores	Supermarkets	Homeimprovement	Total
	ThCh$	ThCh$	ThCh$	ThCh$
Raw material	783,011	3,385,059	-	4,168,070
Goods	206,044,214	732,680,405	246,168,642	1,184,893,261
Total	**206,827,225**	**736,065,464**	**246,168,642**	**1,189,061,331**

Inventory category	As of December 31, 2016			
	Departmentstores	Supermarkets	Homeimprovement	Total
	ThCh$	ThCh$	ThCh$	ThCh$
Raw material	1,164,458	3,576,026	-	4,740,484
Goods	192,143,210	697,409,780	254,992,540	1,144,545,530
Total	**193,307,668**	**700,985,806**	**254,992,540**	**1,149,286,014**

The Company periodically assesses its inventories at their net realizable value, by separating the inventory for each line of business and verifying the age, inventory turnover, sales prices and seasonality. Any adjustments are carried against income of the period.

The goods included in inventory are valued at the lower between their purchase price or production cost, net of allowance for obsolescence, and their net realizable value.

The carrying amount of inventories carried at March 31, 2017 and December 31, 2016 to its net realizable value less selling costs, provides for:

Current Inventories:

Net realizable value movements	Inventories at net realizableas of 3/31/2017	12/31/2016
	ThCh$	ThCh$
Beginning Balance	49,219,377	66,062,640
Increase of Inventory to NRV (Net Realizable Value)	4,913,154	8,671,880
Decrease of Inventory to NRV (Net Realizable Value)	(3,437,454)	(25,515,143)
Total	50,695,077	49,219,377

Other information relevant to inventory:

Additional information inventory	For the three months ended March 31, 2017	2016
	ThCh$	ThCh$
Cost of inventories recognized as expenses during the year	1,654,415,417	1,652,195,243

Provision movements:

Provisions	Balance as of 3/31/2017	12/31/2016
	ThCh$	ThCh$
Beginning Balance	148,763,726	133,510,682
Amount of inventory reductions	-	16,568,409
Amount of reversals of inventory reductions	(1,104,557)	(1,315,365)
Total	147,659,169	148,763,726

The circumstances or events that led to the reversal of any write-down of inventories as of March 31, 2017 and December 31, 2016 relate mainly to settlements and auctions recovering amounts higher than the estimated net realizable value for inventories.

The Company has not given inventories as collaterals at the end of the periods reported.

9. **Intangible assets other than goodwill**

Intangible assets are mainly composed of software and brands acquired in business combinations. The detail as of March 31, 2017 and December 31, 2016 is as follows:

	As of	
Intangibles assets other than goodwill net	**March 31, 2017**	**December 31, 2016**
	ThCh$	**ThCh$**
Finite life intangible assets, net	142,203,131	140,640,088
Indefinite life intangible assets, net	271,150,239	267,528,026
Intangible assets, net	413,353,370	408,168,114
Patents, Trade Marks and Other Rights, Net	271,150,239	267,528,026
Software (IT)	110,544,151	109,301,075
Other Identifiable Intangible Assets, net (*)	31,658,980	31,339,013
Identifiable Intangible Assets, Net	413,353,370	408,168,114

	As of	
Intangibles assets other than goodwill gross	**March 31, 2017**	**December 31, 2016**
	ThCh$	**ThCh$**
Finite life intangible assets, Gross	300,935,452	291,475,386
Indefinite life intangible assets, Gross	271,150,239	267,528,026
Intangible Assets, Gross	572,085,691	559,003,412
Patents, Trade Marks and Other Rights, Gross	271,150,239	267,528,026
Software (IT)	248,157,564	239,383,522
Other Identifiable Intangible Assets, Gross (*)	52,777,888	52,091,864
Identifiable Intangible Assets, Gross	572,085,691	559,003,412

	As of	
Accumulated amortization and value impairment	**March 31, 2017**	**December 31, 2016**
	ThCh$	**ThCh$**
Finite life intangible assets	(158,732,321)	(150,835,298)
Indefinite life intangible assets	-	-
Intangible Assets, Gross	(158,732,321)	(150,835,298)
Software (IT)	(137,613,413)	(130,082,447)
Other Identifiable Intangible Assets (*)	(21,118,908)	(20,752,851)
Accumulated amortization and value impairment	(158,732,321)	(150,835,298)

(*) Other identifiable intangible assets mainly correspond to customer's data base.

The Group performs an annual recoverability analysis, according to the described criteria in note 2.11 "under Impairment loss of non-financial assets IAS 36 "impairment of assets.".

The detail of the useful lives applied to intangible assets as of March 31, 2017 and December 31, 2016 is as follows:

Estimated useful lives or amortization rates used	Minimumlife	Maximumlife
Development costs	1	7
Patents, Trade Marks and Other Rights	Indefinite	Indefinite
Software (IT)	1	7
Other identifiable Intangible Assets	1	5

The movement of intangible assets for the three months ended March 31, 2017 is the following:

Intangible movements	Patents, trademarks and other rights	Applications (IT)	Other identifiable intangible assets	Intangible assets, net
	ThCh$	ThCh$	ThCh$	ThCh$
Initial balance as of January 1, 2017	267,528,026	109,301,075	31,339,013	408,168,114
Additions	-	8,375,481	-	8,375,481
Retirements	-	(550,264)	-	(550,264)
Amortization	-	(7,530,966)	(366,057)	(7,897,023)
Decrease in foreign exchange	3,622,213	948,825	686,024	5,257,062
Balance at March 31, 2017	**271,150,239**	**110,544,151**	**31,658,980**	**413,353,370**

The movement of intangible assets as of and for the year ended December 31, 2016 is the following:

Intangible movements	Patents, trademarks and other rights	Applications (IT)	Other identifiable intangible assets	Intangible assets, net
	ThCh$	ThCh$	ThCh$	ThCh$
Initial balance as of January 1, 2016	267,839,511	103,417,708	30,492,198	401,749,417
Additions	-	37,671,772	-	37,671,772
Retirements	-	(1,517,096)	-	(1,517,096)
Amortization	-	(29,772,784)	(1,335,738)	(31,108,522)
Decrease in foreign exchange	(311,485)	(498,525)	2,182,553	1,372,543
Balance at December 31, 2016	**267,528,026**	**109,301,075**	**31,339,013**	**408,168,114**

The detail of the amounts of identifiable intangible assets that are individually significant as of March 31, 2017 and December 31, 2016 is as follows:

Individually significant identifiable Intangible assets	Book Value March 2017	Book Value December 2016	Remaining amortization period	Country of origin	Segment
	ThCh$	ThCh$			
Paris Brand	120,754,313	120,754,313	Indefinite	Chile	Department stores
Johnson's Brand	15,501,628	15,501,628	Indefinite	Chile	Department stores
Pierre Cardin License	171,584	171,584	Defined	Chile	Department stores
Wong Brand	32,698,606	31,840,410	Indefinite	Peru	Supermarkets
Metro Brand	71,342,413	69,469,986	Indefinite	Peru	Supermarkets
Bretas Brand	17,772,191	17,255,743	Indefinite	Brazil	Supermarkets
Perini Brand	795,773	772,648	Indefinite	Brazil	Supermarkets
Prezunic Brand	12,113,731	11,761,714	Indefinite	Brazil	Supermarkets
Total	271,150,239	267,528,026			

The charge to the profit and loss statement for amortization of intangibles for the three months ended March 31, 2017 and 2016 are detailed below:

Item line in statement of profit and loss which includes amortization of identifiableIntangible assets	For the three months ended March 31,	
	2017	2016
	ThCh$	ThCh$
Administrative expenses	7,897,023	6,105,968
Total	7,897,023	6,105,968

As of March 31, 2017 and December 31, 2016, there are no relevant intangible assets encumbered. There are also no restrictions on ownership of them.

As of March 31, 2017 and December 31, 2016, there are no commitments to acquire intangible assets.

No significant intangible assets that have been fully amortized are in use as of As of March 31, 2017 and December 31, 2016.

10 Goodwill

The goodwill represents the excess of the acquisition cost, over the fair value of the Group's interest in the identifiable net assets of the subsidiary/associate as of the date of acquisition. Goodwill is allocated to each store or group of stores, as appropriate, in each country and operating segment (CGUs cash generating units).

10.1 Measuring recoverable value of the Goodwill,

Goodwill is assessed at least annually. Valuations at interim periods could be done, if there are any signs that the carrying value of our goodwill may not be recoverable. These signs may include a significant change in the economic environment affecting business, new laws, operating performance indicators, competition movements, or the transfer of an important part of a cash-generating unit (CGU).

To check whether goodwill has suffered an impairment loss of value, the company compares the carrying amount of the assets, against their recoverable value. We may recognize an impairment loss if the carrying amount of the asset excess its recoverable amount. The Group believes that value in use approach using the discounted cash flow method, is the most reliable way to determine the recoverable value of the CGU method.

Reversal of an impairment loss for goodwill is prohibited.

10.2 Goodwill by segment and country,

The following table details goodwill balances and movements by operating segment and country as of March 31, 2017 and December 31, 2016:

Goodwill per operating segment and country	As of December, 2016	Impairment	Increase (decrease) foreign exchange	As of March, 2017
	ThCh$		ThCh$	ThCh$
Real Estate & Shopping—Argentina	89,569	-	1,610	91,179
Supermarkets—Chile	106,991,957	-	-	106,991,957
Supermarkets—Brazil	397,062,475	-	11,776,476	408,838,951
Supermarkets—Peru	264,355,612	-	7,042,777	271,398,389
Supermarkets— Colombia	439,366,277	-	19,971,195	459,337,472
Financial services – Colombia	52,305,509	-	2,377,523	54,683,032
Shopping Centers – Colombia	31,383,305	-	1,426,514	32,809,819
Home Improvement—Argentina	1,377,864	-	24,767	1,402,631
Home Improvement—Chile	1,227,458	-	-	1,227,458
Department stores—Chile	138,159,463	-	-	138,159,463
Total	**1,432,319,489**	**-**	**42,620,862**	**1,474,940,351**

The following table details goodwill balances and movements by operating segment and country as of December 31, 2015 and December 31, 2016:

Goodwill per operating segment and country	As of December, 2015	Impairment	Increase (decrease) foreign exchange	As of December, 2016
	ThCh$		ThCh$	ThCh$
Real Estate & Shopping—Argentina	115,986	-	(26,417)	89,569
Supermarkets—Chile	106,991,957	-	-	106,991,957
Supermarkets—Brazil	343,976,582	-	53,085,893	397,062,475
Supermarkets—Peru	275,687,596	-	(11,331,984)	264,355,612
Supermarkets— Colombia	439,366,277	-	-	439,366,277
Financial services – Colombia	52,305,509	-	-	52,305,509
Shopping Centers – Colombia	31,383,305	-	-	31,383,305
Home Improvement—Argentina	2,477,939	-	(1,100,075)	1,377,864
Home Improvement—Chile	1,227,458	-	-	1,227,458
Department stores—Chile	138,159,463	-	-	138,159,463
Total	**1,391,692,072**	**-**	**40,627,417**	**1,432,319,489**

10.3 Key assumptions for the 2016 test

a) Discount rate

The real discount rate applied to annual test conducted in September 2016, was estimated based on an average cost of capital rate historical data, with a leverage of 31% and considering as reference the major competitors in the industry. Different discount rates are used in each of the countries where the Company operates depending on the associated risk. See table below:

Segment and Country	2016				
	Chile	Argentina	Peru	Colombia	Brazil
	%	%	%	%	%
Supermarkets	9.01	-	10.08	9.44	9.97
Home Improvement	8.41	-	-	-	-
Department stores	8.84	24.84	-	-	-

b) Other assumptions

The Group has defined a financial model which considers the revenues, expenditures, cash flow balances, net tax payments and capital expenditures on a five years period (2017-2021), and perpetuity beyond this tranche. As an exception, the Supermarkets – Colombia segment has been forecasted in an eight years horizon, as a result of the recent inclusion of the Jumbo and Metro brands. These brands are on a pathway to maturity and they have extended room for increase their sales by square meter, getting close to regional and local averages.

The financial projections to determine the net present value of future cash flows are modeled considering the principal variables that determine the historic flows of each group of CGU and the budgets approved by the Board. Conservative growth rates are used for this purpose, which fluctuate from 0% to 5% annual average for the first five year of the projections and the terminal growth rates are between 0.5% and 1%, beyond fifth year, taking into account the maturity of each segment. Higher growth rates may be assigned depending on the business performance in each country, and their periods of stabilization and maturity.

The most sensitive variables in these projections are the discount rates applied in determining the net present value of projected cash flows, operating costs, and market prices of the goods and services traded.
Sensitizations tests were applied for the group of CGUs, (considering the following reasonable scenarios:

- EBITDA margin would have been 5% lower, than management´s estimates, or
- Perpetuity growth rate would have been 10% lower, than management´s estimates, or
- the estimated cost of capital used in determining the discount rate, would have been 5% higher, than management´s estimates,

After considering the mentioned scenarios in isolation, there were no reasonably possible changes in any of the key assumptions that would have resulted in an impairment write-down.
As of March 31, 2017 the Company has not identified any signs that could indicate that the carrying amount of the goodwill may not be recoverable. T here have been no significant changes from the date of our annual 2016 impairment test.

11 Property, plant and equipment

11.1 The composition of this item as of March 31, 2017 and December 31, 2016 is as follows:

Property, plant and equipment categories, net	As of March 31, 2017	As of December 31, 2016
	ThCh$	ThCh$
Construction in progress	74,774,112	66,402,237
Land	656,757,938	659,605,782
Buildings	1,068,317,050	1,048,864,332
Plant and equipment	228,239,358	226,080,180
Information technology equipment	37,584,566	36,328,354
Fixed installations and accessories	312,084,747	319,768,058
Motor vehicles	678,024	670,349
Leasehold improvements	210,509,466	212,594,588
Other property plant and equipment	8,279,857	8,479,693
Totals	2,597,225,118	2,578,793,573

Property, plant and equipment categories, gross	As of March 31, 2017	As of December 31, 2016
	ThCh$	ThCh$
Construction in progress	74,774,112	66,402,237
Land	656,757,938	659,605,782
Buildings	1,330,988,851	1,299,194,334
Plant and equipment	612,010,352	601,670,994
Information technology equipment	159,337,868	152,482,771
Fixed installations and accessories	790,129,158	767,264,238
Motor vehicles	5,240,422	5,099,000
Leasehold improvements	336,667,293	308,250,531
Other property plant and equipment	13,588,475	13,779,119
Totals	3,979,494,469	3,873,749,006

Accumulated depreciation and impairment of property, plant and equipment	As of March 31, 2017	As of December 31, 2016
	ThCh$	ThCh$
Buildings	(262,671,801)	(250,330,002)
Plant and equipment	(383,770,994)	(375,590,814)
Information technology equipment	(121,753,302)	(116,154,417)
Fixed installations and accessories	(478,044,411)	(447,496,180)
	(4,562,398	(4,428,651

Motor vehicles	)	)
Leasehold improvements	(126,157,827)	(95,655,943)
Other property plant and equipment	(5,308,618)	(5,299,426)
Totals	(1,382,269,351)	(1,294,955,433)

11.2 The following table shows the technical useful lives for the assets.

Method used for the depreciation of property, plant and equipment (life)	Rate explanation	Minimumlife	Maximumlife
Buildings	Useful Life (years)	25	60
Plant and equipment	Useful Life (years)	7	20
Information technology equipment	Useful Life (years)	3	7
Fixed installations and accessories	Useful Life (years)	7	15
Motor vehicles	Useful Life (years)	1	5
Leasehold improvements	Useful Life (years)	According to contract length	
Other property plant and equipment	Useful Life (years)	3	15

The Group reviews the estimated useful lives of property, plant and equipment at the end of each annual period. The Company has determined that there are no significant changes in the estimated useful lives for the reported periods.

11.3 Reconciliation of changes in property, plant and equipment

The following chart shows a detailed roll-forward of changes in property, plant and equipment, by class between January 1, 2017 and March 31, 2017:

Movement for the three months ended March 31, 2017	**Construction In progress**	**Land**	**Building, net**	**Plant and equipment net**	**Information technology equipment, net**	**Fixed installations and accessories, net**	**Motor vehicles, net**	**Lease improvements, net**	**Other property, plant and equipment, net**	**Property, plant and equipment, net**
	ThCh$	**ThCh$**	**ThCh$**	**ThCh$**	**ThCh$**	**ThCh$**	**ThCh$**	**ThCh$**	**ThCh$**	**ThCh$**
Opening balance January 1, 2017	66,402,237	659,605,782	1,048,864,332	226,080,180	36,328,354	319,768,058	670,349	212,594,588	8,479,693	**2,578,793,573**
Changes										
Additions	17,033,447	1,129,900	1,837,571	8,248,717	3,285,282	6,982,480	54,471	474,591	798,620	**39,845,079**
Removal	(9,923)	-	(200,913)	(93,826)	(400)	(42,823)	-	(41,937)	-	**(389,822)**
Depreciation expenses	-	-	(8,090,598)	(13,083,933)	(4,205,994)	(18,307,873)	(60,369)	(8,451,247)	(9,192)	**(52,209,206)**
Increase (decrease) for revaluation charged to equity	-	-	-	-	-	-	-	-	-	**-**
Increase (decrease) in foreign exchange	2,027,302	12,186,470	21,694,062	3,480,704	369,918	3,327,112	13,573	5,239,831	(989,264)	**47,349,708**
Transfer to (from) non—current assets and disposal groups held for sale	-	(16,164,214)	-	-	-	-	-	-	-	**(16,164,214)**
Other increase (decrease)	(10,678,951)	-	4,212,596	3,607,516	1,807,406	357,793	-	693,640	-	**-**
Total changes	**8,371,875**	**(2,847,844)**	**19,452,718**	**2,159,178**	**1,256,212**	**(7,683,311)**	**7,675**	**(2,085,122)**	**(199,836)**	**18,431,545**
Final balance as of March 31, 2017	**74,774,112**	**656,757,938**	**1,068,317,050**	**228,239,358**	**37,584,566**	**312,084,747**	**678,024**	**210,509,466**	**8,279,857**	**2,597,225,118**

The following chart shows a detailed roll-forward of changes in property, plant and equipment, by class between January 1, 2016 and December 31, 2016:

Movement for the year ended December 31, 2016	Construction In progress	Land	Building, net	Plant and equipment net	Information technology equipment, net	Fixed installations and accessories, net	Motor vehicles, net	Lease improvements, net	Other property, plant and equipment, net	Property, plant and equipment, net
	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
Opening balance January 1, 2016	63,017,895	725,437,554	1,075,995,255	246,716,665	32,046,485	343,696,782	577,489	202,460,078	21,542,427	**2,711,490,630**
Changes										
Additions	112,960,591	2,637,687	14,673,368	27,951,919	4,281,236	19,393,558	64,748	9,534,011	894,142	**192,391,260**
Decrease derived from loss of control in subsidiaries	(26,452)	-	(294,862)	(36,007)	(34,940)	-	-	-	-	**(392,261)**
Transfers to (from) investment properties	(6,299,632)	(41,143,628)	(1,890,902)	(733,140)	224,296	(756,374)	-	-	(3,306,574)	**(53,905,954)**
Retirements	(227,085)	(992,318)	(5,922,284)	(5,606,035)	(567,568)	(298,660)	-	(212,866)	(2,259,506)	**(16,086,322)**
Depreciation expenses	-	-	(31,219,656)	(52,165,648)	(14,005,719)	(67,906,543)	(221,744)	(30,452,796)	(632,791)	**(196,604,897)**
Increase (decrease) for revaluation charged to equity	-	18,435,465	-	-	-	-	-	-	-	**18,435,465**
Impairment losses recognized in results	-	(2,639,637)	-	-	-	-	-	-	-	**(2,639,637)**
Decrease (increase) in foreign exchange	(2,225,068)	(14,638,273)	(21,515,463)	(718,868)	(919,762)	(2,617,885)	(25,217)	14,468,605	(2,343,689)	**(30,535,620)**
Transfer to non—current assets and disposal groups held for sale	-	(27,520,057)	(9,440,631)	(537,066)	(1,684)	(445,337)	-	-	(5,414,316)	**(43,359,091)**
Other increase (decrease) [1]	(100,798,012)	28,989	28,479,507	5,095,507	15,306,010	13,178,168	275,073	38,434,758	-	**-**
Total changes	**3,384,342**	**(65,831,772)**	**(27,130,923)**	**(26,749,338)**	**4,281,869**	**(39,453,073)**	**92,860**	**31,771,712**	**(13,062,734)**	**(132,697,057)**
Final balance as of December 31, 2016	**66,402,237**	**659,605,782**	**1,048,864,332**	**219,967,327**	**36,328,354**	**304,243,709**	**670,349**	**234,231,790**	**8,479,693**	**2,578,793,573**

[1] It corresponds to in-process assets that are being transferred to definitive assets. As a result of that, asset classes are offset.

11.4 The Company has traditionally maintained the policy to carry out all the necessary work in response to the opportunities and changes experienced in domestic and regional markets where the Company operates, to capture the best opportunities and results for each of its business units.

The cost includes disbursements directly attributable to the acquisition or construction of an asset, as well as interests from related financing in the case of qualifying assets.

11.5 Borrowing costs:

The company incorporates borrowing costs that are directly attributable to the acquisition, construction or production of a qualified asset during the period to complete and prepare the asset for its intended use.

As of March 31, 2017, and December 31, 2016, there is no capitalization of borrowing costs.

11.6 Assets granted

As of March 31, 2017 and December 31, 2016, properties, plant and equipment granted as security amounted ThCh$ 4,116,768 and ThCh$ 3,867,501, respectively. Nevertheless, there are no restrictions on ownership of assets. Nevertheless, there are no restrictions on transfer of assets.

11.7 Commitments to acquire assets

As of March 31, 2017 and December 31, 2016, there are commitments to acquire property, plant and equipment of ThCh$ 88,314,962, and of ThCh$ 86,104,812, respectively.

11.8 Assets out of service

As of March 31, 2017 and December 31, 2016, there are no essential elements or assets that are temporarily out of service. The property, plant and equipment mainly relate to stores and operating fixed assets to enable the performance of the retail business every day of the year, except when there are restrictions for public holidays established in each country.

11.9 Assets fully depreciated

In view of the nature of the retail business, the Company has no significant assets that are fully depreciated and that are in use as of March 31, 2017 and December 31, 2016. These assets relate mainly to minor equipment such as scales, furniture, computers, cameras, lighting and others. The retail business assets are depreciated based on the term of the lease agreement.

11.10 Impairment losses

Assets subject to amortization are tested for impairment whenever events or changes in business circumstances indicate that the carrying amount of the assets may not be recovered. It recognizes an impairment loss when the carrying amount is greater than its recoverable amount. The recoverable amount of an asset is the higher of an asset’s fair value less costs to sell and its value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which identifiable cash flows exist separately. As discussed below, the Company has recognized an impairment loss, related to property, plant and equipment, in the amount of ThCH$ 2,639,637 for the period ended December 31, 2016. No impairment related to property, plant and equipment was recorded for the periods ended December 31, 2015 and 2014.

During 2016, the Company has initiated a detailed plan for a non-strategic sale of assets in Chile. These assets were previously classified within the property, plant and equipment category.

International Financial Reporting Standard IFRS 5 "Assets Held for Sale" indicates that the assets of a company must be classified according to the use or destination that the company decides to give them. Accordingly, these assets must be reclassified as a consequence of a change of plans by management, since the intention of the company is to realize the sale of such assets within a period not exceeding one year.

In order to comply with IFRS5, the market value obtained by management was compared with the book value of the assets included in the sales plan. From this comparison, it was verified that in eight of the locations in the process of commercialization, the book value exceeds its recoverable value amounted to ThCh $ 2,639,637, proceeding to record the impairment prior to reclassification to assets held for sale. Assets held for sale at December 31, 2016 amounts to carrying value of ThCh $ 10,883,992, recoverable amount of ThCh $ 8,244,355 and related impairment of ThCh $ 2,639,637.

Management has determined the fair value of each asset held for sale, based on market information. The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available management consider information from a variety of source including current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences. The key input under this approach is the price per square meter from recent sales. These values were determined using level II inputs in accordance with the definitions of IFRS 13.

11.11 Property Plant and Equipment components:

The main items that compose each asset class are:
Plant and equipment: presented in this asset class are primarily properties used in the operation of retail business such as mixers, sausages portioning machines, system ready meals, frozen island, cold containers, and refrigerated display cases, forming bread ovens, blender, among others.

Equipment for information technology: correspond to items such as computers, printers, notebook, labeling, scanner, clock control, price inquiries and servers, among others.

Fixed installations and accessories: presented in this asset class are expenditures to enable operations of stores, such, ceilings, floors, wall finishes, lighting the sky, smoke detectors, sprinklers, air ducts and heating, communications networks , escalators, elevators, hoists, electrical substation and central air conditioning among others.

Leasehold improvements: presented in this asset class are disbursements associated with enabling or leased store improvements such as remodeling of facades, finishes, floors, ceilings and walls among others.
Other property, plant and equipment: mainly corresponds to fixed assets in transit and assets acquired under finance lease.

11.12 Property Plant and Equipment valuation

During 2016, several pieces of land, included within the Propertiy, plant and equipment item amounting a historical cost of ThCh $ 23.527.099 were revalued. Such revaluation was made as required by IAS 40 prior to the transfer of such assets from property, plant and equipment to investment property. In order to determine the amount of the revaluation, the fair value of the mentioned land pieces was determined by management, with experience in the localities and category of the appraised properties.

The revaluation implied a net increase in the value of property, plant and equipment amounted to ThCh $ 18,435,465 credited to equity through other comprehensive income in 2016.

As of March 31, 2017 and December 31, 2016, Cencosud maintains a total of 1,171 stores located in Chile, Argentina, Peru, Brazil and Colombia. A total of 444 of those locations are stores operated on their own land, classified under the item "Properties, plants and equipment".

As of December 31, 2016, of a sample of 103 own land locations were tested to compare their book values against their market values, in order to know the reasonableness of the book values measured by the accounting policy under the cost method. In this comparison, it was verified that the market value, in an average, is 45% higher than the book value of such assets, with the exception of Argentina, where this percentage is significantly increased by the effects of local inflation presented during recent years.

The methodology used in determining the market value assumes that the values assigned are representative of the most likely transaction values that an independent buyer is willing to pay at the valuation date.

11.13 Property Plant and Equipment components:

The main items that compose each asset class are:
Plant and equipment: presented in this asset class are primarily properties used in the operation of retail business such as mixers, sausages portioning machines, system ready meals, frozen island, cold containers, and refrigerated display cases, forming bread ovens, blender, among others.

Equipment for information technology: correspond to items such as computers, printers, notebook, labeling, scanner, clock control, price inquiries and servers, among others.

Fixtures and fittings: presented in this asset class are expenditures to enable operations of stores, such, ceilings, floors, wall finishes, lighting the sky, smoke detectors, sprinklers, air ducts and heating, communications networks , escalators, elevators, hoists, electrical substation and central air conditioning among others.

Leasehold improvements: presented in this asset class are disbursements associated with enabling or leased store improvements such as remodeling of facades, finishes, floors, ceilings and walls among others. Other property, plant and equipment: mainly corresponds to fixed assets in transit and assets acquired under finance lease.

12 Investment properties

12.1 The roll-forward of investment properties as of March 31, 2017 and December 31, 2016 is the following:

Roll-forward of investment properties, net, fair value method	As of March 31, 2017	As of December 31, 2016
	ThCh$	ThCh$
Investment properties, net, initial value	2,081,694,027	1,807,095,204
Effect of fair value in profit or loss	26,614,201	287,519,826
Additions	1,818,907	1,225,878
Transfer from owner-occupied property, investment property, cost model	-	53,905,954
Transfer to assets classified as "held for sale"	-	(2,939,242)
Retirements, Fair Value Method	(3,563,885)	(3,579,094)
Increase (decrease) in foreign exchange rate	12,434,723	(61,534,499)
Changes in Investment Properties, Total	37,303,946	274,598,823
Investment Properties Final Balance	2,118,997,973	2,081,694,027

12.2 Income and expense from investment properties

Roll-forward of investment properties, net fair value method	For the three months ended March 31, 2017	For the three months ended March 31, 2016
	ThCh$	ThCh$
Revenue from Investment Property Leases	59,483,158	54,003,766
Direct operating expenses of Investment Properties which generate lease revenue	13,131,973	11,817,321

12.3 *As of March 31, 2017 and December 31, 2016, investment properties are not encumbered,*

12.4 *As of March 31, 2017 there are commitments to acquire investment properties by ThCh$ 4,430,051 (ThCh$ 4,331,676 as of December 31, 2016),*

12.5 *There are no restrictions on ownership of assets,*

12.6 Investment Properties

At March 31, 2017 and December 31, 2016, these assets are valued using the fair value model. The methodology used in the valuation of these assets and significant assumptions used are described in note 4.1.. The Costanera Center project corresponds to assets that have been classified as investment property. The shopping mall is in operation since June, 2012. First 15,000 square meters of tower 2 and 4 were allowed to be leased as commercial offices by the municipality authority from August 2015.

13 Other financial liabilities, current and non-current

The composition of this item as of March 31, 2017 and December 31, 2016 is the following:

13.1 Types of interest bearing (accruing) loans

Loans	Balance as of 3/31/2017 Current ThCh$	Balance as of 3/31/2017 Non-current ThCh$	Balance as of 12/31/2016 Current ThCh$	Balance as of 12/31/2016 Non-current ThCh$
Bank loans (1)	244,555,004	199,969,698	215,393,417	206,299,337
Bond debt (2)	109,291,538	2,608,318,115	127,530,284	2,618,875,407
Other loans—leases	2,701,004	19,253,821	2,713,893	19,256,643
Other financial liabilities (forward)	1,845,932	-	-	-
Other financial liabilities (hedge derivatives) (3)	6,194,771	12,647,172	4,151,393	12,441,477
Time deposits (4)	54,486,946	44,713,727	56,113,724	45,030,033
Term savings accounts	9,787	-	15,224	-
Debt purchase Bretas	-	1,834,202	-	1,722,769
Other Financial liabilities—other	2,401,062	-	2,091,081	-
Totals Loans	421,486,044	2,886,736,735	408,009,016	2,903,625,666

(1) Bank loans correspond to loans taken out with banks and financial institutions,
(2) Bond debt corresponds to bonds placed in public securities markets or issued to the public in general,
(3) Other financial liabilities (hedge derivatives) includes cross currency swaps, interest rate swaps and forward contracts.
(4) Time deposits are the main funding source of the subsidiary Banco Cencosud Peru.

13.2 Restrictions

Loan agreements and outstanding bonds of the Company contain a number of covenants requiring compliance with certain financial ratios and other tests, As of March 31, 2017 and December 31, 2016 the Company was in compliance with all financial debt covenants subscribed.

14 Provisions and other liabilities

14.1 Provisions

The composition of this item as of March 31, 2017 and December 31, 2016 is as follows:

	As of			
Accruals and provision	March 31, 2017	December 31, 2016	March 31, 2017	December 31, 2016
	Current		Non-current	
	ThCh$	ThCh$	ThCh$	ThCh$
Legal claims provision (1)	10,691,944	10,340,136	59,973,249	58,005,001
Onerous contracts provision (2)	1,433,341	1,439,298	9,902,080	10,251,159
Total	12,125,285	11,779,434	69,875,329	68,256,160

(1) The nature of these obligations is as follows:

Civil provision: This primarily corresponds to civil and commercial trials that mainly deal with claims from customers, defects in products, accidents of customers in the stores and law suits related with customer service.

Labor provision: This primarily corresponds to staff severance indemnities and salary disputes from former employees.

Tax provision: This primarily corresponds to tax claims in the countries in which the Company operates.

The following table shows the civil, labor and tax proceedings faced by the Company and its subsidiaries (by country). The proceedings comprising each category are those that present probable occurrence likelihood and the amount of loss can be quantified or estimated.

	Provision Legal Claims (2)				Exposure	
	Civil	Labor	Tax	Total	Current	Non-current
	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
Total as of March 31,2017	28,967,404	20,645,304	21,052,485	70,665,193	10,691,944	59,973,249
Total as of December 31,2016	28,708,673	21,405,740	18,230,724	68,345,137	10,340,136	58,005,001

Provision By Country	March 31, 2017 ThCh$	December 31, 2016 ThCh$
Chile	15,357,517	15,351,464
Argentina	19,678,944	19,260,544
Brazil	30,476,940	29,078,658
Peru	915,754	673,291
Colombia	4,236,038	3,981,180
Total Provision	**70,665,193**	**68,345,137**

(2) Provisions for onerous contracts

The provisions recorded under this concept correspond mainly to the excess over the fair value payable related to onerous lease contracts recorded in business combinations of the previous periods.

14.2 Movement of provisions:

Provision type	Legal claims	Onerous contracts	Total
	ThCh$	ThCh$	ThCh$
Initial Balance January 1, 2017	68,345,137	11,690,457	80,035,594
Movements in Provisions:			
Creation of additional provisions	1,828,225	-	1,828,225
Increase (decrease) in existing provisions	561,550	(355,036)	206,514
Application of provision	(850,675)	-	(850,675)
Reversal of non-used provisions	(634,456)	-	(634,456)
Increase (decrease) in foreign exchange rate	1,415,412	-	1,415,412
Changes in provisions, total	2,320,056	(355,036)	1,965,020
Total provision, closing balance as of March 31, 2017	70,665,193	11,335,421	82,000,614

Provision type	Legal claims	Onerous contracts	Total
	ThCh$	ThCh$	ThCh$
Initial Balance January 1, 2016	77,816,222	16,014,325	93,830,547
Movements in Provisions:			
Creation of additional provisions	8,075,575	-	8,075,575
Increase and decrease in existing provisions	578,142	(4,323,868)	(3,745,726)
Application of provision	(12,127,645)	-	(12,127,645)
Reversal of unused provision	(2,504,731)	-	(2,504,731)
Increase (decrease) in foreign exchange rate	(3,492,426)	-	(3,492,426)
Changes in provisions, total	(9,471,085)	(4,323,868)	(13,794,953)
Total provision, closing balance as of December 31, 2016	68,345,137	11,690,457	80,035,594

15 Net equity

The objectives of the Cencosud Group regarding capital management are to safeguard its capacity to continue as a going concern, ensuring appropriate returns for its shareholders and benefits for other stakeholders, and maintaining an optimum capital structure while reducing capital costs.

Capital management

The Group's objective regarding capital management is to safeguard the capacity to continue ensuring appropriate returns for the shareholders and benefits for other stakeholders, and maintaining an optimum capital structure while reducing capital costs .

In line with the industry, we monitor our capital using a leverage ratio calculation. This ratio is calculated by dividing net financial debt by total equity. We define net financial debt as total financial liabilities (a) less (i) total cash and cash equivalents, (ii) total other financial assets, current and non-current, and (iii) other financial liabilities, current and non-current, from Banco Paris and Banco Peru, (b) plus (i) cash and cash equivalents from Banco Paris and Banco Peru and (ii) total other financial assets, current and non-current, from Banco Paris and Banco Peru. Total financial liabilities is defined as Other financial liabilities, current, plus Other financial liabilities, non-current.

In accordance with the above, we combine different financing sources, such as: capital increases, operating cash flows, bank loans and bonds.

15.1 Paid-in capital

As of June 22, 2012, the Company proceeded to increase the authorized Capital through the issuance of 270,000,000 of shares, without a par value and in a unique series, as agreed at the shareholders meeting held on April 29, 2011 which complemented and modified preliminary agreements made at extraordinary shareholders meetings on March 1, 2012 and May 15, 2012. 27,000,000 shares out of the capital increase were set aside to offer them in a stock option plan for the Company's upper management.

The referential share price reported to the SVS (Superintendencia de Valores y Seguros) was ThCh$ 3,555.56. The final issue share price was ThCh$2,600 per share.

In connection with share issuance, 59,493,000 shares were issued in the United States of America in the form of American Depositary Shares (ADSs) and the remaining 210,507,000 shares were issued in the local market in Chile.

At the extraordinary shareholders meeting held on November 20, 2012, the shareholders agreed to increase capital by ThCh$835,000,000 through the issuance of 332,987,717 of shares in one series and without a par value. 10% of the total issuance was set aside to offer them in a stock option plan for employees, the remaining of the shares was offered to the Company's shareholders.

The following table shows the movement of the fully paid shares described above between January 1, 2016 and March 31, 2017:

Movement of paid shares	No of shares	Shares Issuances (Th$)	Shares premium (Th$)
Paid shares as of January 1, 2016	2,828,723,963	2,321,380,936	526,633,344
Stock options issuance 2016	33,812,984	99,183,799	(65,331,247)
Paid shares as of December 31, 2016	**2,862,536,947**	**2,420,564,735**	**461,302,097**
Paid shares as of January 1, 2017	**2,862,536,947**	**2,420,564,735**	**461,302,097**
Paid shares as of March 31, 2017	**2,862,536,947**	**2,420,564,735**	**461,302,097**

15.2 Authorized shares

The following table shows the movement of the fully authorized shares between January 1, 2016 and March 31, 2017:

Movement of authorized shares	No of Shares
Authorized shares as of January 1, 2016	2,889,022,734
Expired shares as of April 29, 2016	(13,264,341)
Authorized shares as of December 31, 2016	**2,875,758,393**
Authorized shares as of January 1, 2017	**2,875,758,393**
Authorized shares as of March 31, 2017	**2,875,758,393**

As of March 31, 2017 and December 31, 2016, 13,221,446 issued shares were pending of subscription and payment, of which expiration will be on November 20, 2017.

15.3 Dividends

The dividend distribution policy adopted by Cencosud S,A, establishes the payment of dividends of 30% of the distributable net profits.

In relation to SVS Ruling No. 1945, on October 29, 2010, the Company's Board of Directors agreed that the net distributable profits for the year 2010 and following years will be the figure reflected in the financial statements as "profit for the year attributable controlling shareholders", excluding the unrealized result for fair value appraisal of investment properties, net of deferred taxes.

On April 29, 2016, the Ordinary Shareholders Meeting agreed on distributing a definitive dividend in relation to the profits of 2015 amounted to Ch$ 73,684,179,628, which represents about to 80.55% of the distributable profit. This also represents a dividend of Ch$ 25.92268 per share. The aforementioned distribution of profits shall be made by: (i) the distribution of an additional dividend in the amount of $ 10 per share; plus (ii) the distribution of an interim dividend of $ 16 per share already paid from December 4, 2015.

In addition, the Shareholders Meeting approved an extraordinary dividend in the amount of $ 50 per share, chargeable to retained earnings from previous years, reducing the reserve fund for future dividends amounted to Ch$ 142,122,981,100. The payment of the above dividend will be made from May 17, 2016.

On November 2, 2016, the Board of Directors agreed on distributing an interim dividend of Ch$20 per share in relation to the profits of 2016. This dividend was given to the shareholders order from December 7, 2016.

The company recorded a minimum dividend by ThCh 14,738,502 as of March 31, 2017 (ThCh 357,939 as of December 31, 2016). The total charge to equity as of March 31, 2017 amounted to ThCh$ 14,380,562 (ThCh$ 227,755,932 as of December 31, 2016).

15.4 Non-controlling interest

Details of the non-controlling interest as of March 31, 2017 and December 31, 2016 are as follows:

Equity:

Company	Non-controlling Interest Mar 31, 2017 %	Non-controlling Interest Dec 31, 2016 %	Balances as of, Mar 31, 2017 ThCh$	Balances as of, Dec 31, 2016 ThCh$
Cencosud Shoppings Centers S.A.	0.00004%	0.00004%	492	479
Mercado Mayorista P y P Ltda.	10.00000%	10.00000%	93,871	93,871
Easy Retail S.A.	0.07361%	0.07361%	16,582	18,795
Comercial Food and Fantasy Ltda.	10.00000%	10.00000%	(12,921)	-
Administradora del Centro Comercial Alto Las Condes Ltda.	55.00000%	55.00000%	(709,183)	(1,608,229)
Cencosud Retail S.A.	0.03760%	0.03760%	241,082	231,864
Jumbo Retail Argentina S.A.	0.07600%	0.07600%	48,530	54,816
Total			**(321,547)**	**(1,208,404)**

Results:

Company	Non-controlling Interest Mar 31, 2017 %	Non-controlling Interest Dec 31, 2016 %	Balances as of, Mar 31, 2017 ThCh$	Balances as of, Dec 31, 2016 ThCh$
Cencosud Shoppings Centers S.A.	0.00004%	0.00004%	13	9
Easy Retail S.A.	0.07361%	0.42500%	(2,214)	800
Comercial Food and Fantasy Ltda.	10.00000%	10.00000%	11,080	-
Administradora del Centro Comercial Alto Las Condes Ltda.	55.00000%	55.00000%	899,046	1,331,401
Cencosud Retail S.A.	0.03760%	0.03906%	9,215	11,488
Jumbo Retail Argentina S.A.	0.07600%	0.07600%	(7,088)	3,331
Total			**910,052**	**1,347,029**

16 Breakdown of significant results

The items by function from the Statements of Income are described as follows in 16,1, 16,2 y 16,3,

Expenses by nature of integral income by function	3-31-2017	3-31-2016
	ThCh$	ThCh$
Cost of sales	1,785,921,395	1,765,306,972
Distribution cost	6,438,007	6,242,744
Administrative expenses	585,030,025	541,751,349
Other expenses by function	39,740,805	36,495,483
Total	2,417,130,232	2,349,796,548

16.1 Expenses by nature

The following is a breakdown of the main operating and management costs and expenses of the Cencosud Group for the following periods:

Expenses by nature	For the three months ended March 31	
	2017	2016
	ThCh$	ThCh$
Cost of goods sold	1,654,415,417	1,652,195,243
Other cost of sales	131,505,978	113,111,729
Personnel expenses	356,332,965	324,051,034
Depreciation and amortization	60,106,229	51,280,017
Distribution cost	6,438,007	6,242,744
Other expenses by function	39,740,805	36,495,483
Cleaning	18,388,106	17,707,593
Safety and security	15,795,109	14,626,829
Maintenance	19,231,332	18,365,315
Professional fees	17,748,707	16,578,907
Bags for Customers	3,979,960	4,904,531
Credit card commission	25,002,124	23,397,692
Lease	49,431,123	47,510,269
Other	19,014,370	23,329,162
Total	2,417,130,232	2,349,796,548

16.2 Personnel expenses

The following is a breakdown of personnel expenses for the following periods:

Personnel expenses	For the three months ended March 31	
	2017	2016
	ThCh$	ThCh$
Salaries	278,186,828	254,825,533
Short-term employee benefits	67,391,379	61,683,110
Termination benefits	10,754,758	7,542,391
Total	356,332,965	324,051,034

16.3 Depreciation and amortization

The following is a breakdown of depreciation and amortization for the following periods:

Depreciation and amortization	For the three months ended March 31	
	2017	2016
	ThCh$	ThCh$
Depreciation	52,209,206	45,174,049
Amortization	7,897,023	6,105,968
Total	60,106,229	51,280,017

16.4 Other gains (losses)

Other gain (losses)	For the three months ended March 31	
	2017	2016
	ThCh$	ThCh$
Complementary remittance tax	(1,179,553)	(1,197,646)
Wealth tax Colombia	(2,222,000)	(5,566,905)
Insurance claims	(1,912,891)	1,607,520
Sales of businesses and properties	144,105	9,547,202
Other net losses	2,492,676	(7,852,705)
Total	(2,677,663)	(3,462,534)

16.5 Other operating income

Other operating income	For the three months ended March 31	
	2017	2016
	ThCh$	ThCh$
Sell Carton and Wraps	739,755	931,922
Recovery of fees	542,959	545,676
Increase on revaluation of Investment properties (see note 12.1)	26,614,201	37,958,719
Other Income	1,575,557	1,337,871
Total	29,472,472	40,774,188

16.6 Financial results

The following is the financial income detailed for the periods ended:

Financial results	For the three months ended March 31	
	2017	2016
	ThCh$	ThCh$
Other finance income from investments	4,043,544	3,840,794
Financial Income	4,043,544	3,840,794
Bank loan expenses	(26,054,991)	(25,255,302)
Bond debt expenses	(34,621,531)	(36,048,575)
Interest on bank deposits	-	(452,093)
Valuation of financial derivatives	(5,941,246)	(7,567,481)
Financial Expenses	(66,617,768)	(69,323,451)
Results from UF indexed bonds in Chile	(2,858,616)	(3,325,580)
Results from UF indexed Brazil	(72,422)	(142,831)
Results from UF indexed Other	145,183	-
(Losses) gains from indexation	(2,785,855)	(3,468,411)
Financial debt IFC-ABN Argentina	(278,025)	(96,366)
Debt to the public Bonds and Banks (Chile)	31,917,132	38,721,668
Financial debt Peru	(79,111)	(243,029)
Financials Assets and Debts (Colombia)	55,847	143,331
Exchange difference	31,615,843	38,525,604
Financial results total	(33,744,236)	(30,425,464)

17 Corporate income tax

The charge (credit) to periodic results within the Interim consolidated statement of profit and loss by function related to the income tax amounts were M$ 35,915,116 as of March 31, 2017; and M$ 32,805,216, as of March 31, 2016, as the table below:

Current and deferred income tax	March 31, 2017 ThCh$	March 31, 2016 ThCh$
Net current income tax expense	42,889,991	32,066,483
Previous year adjustment	(4,238,817)	2,718,420
Income tax expense	38,651,174	34,784,903
Deferred tax expense (income) due to taxes arising from the creation and reversal of temporary differences	(4,208,705)	(2,410,877)
Deferred expenses (income) due to taxes arising from the changes in tax rates or new rates	1,472,647	431,190
Deferred income tax expense	(2,736,058)	(1,979,687)
Net tax expense (income)	35,915,116	32,805,216

The following chart shows the reconciliation between the corporate income tax calculations resulting from the application of the legal and effective rates for the periods:

Reconciliation of income tax expense using the statutory rate to income taxexpense using the effective rate	For the three months ended, March 31	
	2017	2016
	ThCh$	ThCh$
Income tax expense using the legal rate	**26,518,075**	**34,040,173**
Tax effect of rates in other territories	756,452	6,377,609
Tax effect on non-deductible expenses	2,286,212	2,690,697
Chile - Taxable effects from investment and equity	(750,317)	(733,968)
Tax rate effect of adjustments for current tax of prior periods	4,238,817	(2,718,420)
Colombia - Wealth tax (non-deductible)	933,592	2,226,762
Chile – Taxable fair value adjustments related to derivatives and stock options	(2,194,851)	1,556,536
Chile –not recognized provisional payment on absorbed profits (PPUA)	-	(6,349,176)
Colombia - Goodwill write off (Mercadefam 2014)	219,691	102,965
Colombia –Presumptive Income rate adjustment 9% (rate 34% and credit 25%)	-	406,776
Tax effect of changes in tax rates	(1,556,839)	431,190
Nontaxable profits from investments accounted for using the equity method.	(1,138,839)	(673,437)
Brazil – Tax losses valuation	11,558,786	-
Other (decrease) increase for legal tax	(4,955,663)	(4,552,491)
Adjustments to tax expenses using the legal rate, total….	9,397,041	(1,234,957)
Income tax expense using the effective rate	**35,915,116**	**32,805,216**

Main components of effective tax rate reconciliation include:

i. During the third quarter 2016 Brazil has ceased the recognition of deferred tax asset over carry forward losses amounted to ChTh$ 11,558,785.

a) Tax losses:

The Company has deferred assets for tax losses arising from the different countries where it has investments. These arise mainly in the retail and real estate areas, both in Chile and abroad. For the tax losses carry-forward obtained before January 1, 2017, there are no limits regarding their usage. Law 1,819 issued on December 2016 in Colombia, limits losses carry forward up to a maximum of 12 years, however, former losses are not limited to an specific period. Realization of tax losses is estimated based on the Group future projections.

b) Reversal of asset and liability timing differences:

The reversal of asset and liability timing differences is directly related to the nature of the asset and liability accounts generating these differences. There is no set term for the reversal of timing differences, due to the reversal of some and the origin of others.

c) Rate of income tax.

Chile

The current income tax rate in Chile that affects the Company is 24% (Dec 2016: 22.5%). Under the 2014 enacted tax law, the income tax rate will increase to 21%, 22.5%, 24%, 25.5% and 27%, for the years 2014, 2015, 2016, 2017, 2018 and following fiscal years, respectively, based on the adoption of the partially integrated system.

According to regulations applicable to open listed societies, the income tax system applicable by Cencosud is the partially integrated system.

Any other later effects have been recognized within the income statement.

Foreign subsidiaries

The rates that affect its foreign subsidiaries are: 35% in Argentina

Peru 29.5%. Peru enacted in law Nº 30.296 which pretended to envisage gradual reduction in taxes from 30% to 28% in 2015-2016, 27% in 2017-2018, and 26% from 2019 onwards. However, the mentioned reduction will not have any effect; being that Legislative Decree No. 1261 published on December 10, 2016 contemplates a rate of 29.5% effective from the 2016 financial year.

Colombia 40%. Law 1,739 issued on December 2014 modified the income tax for equity “CREE” tax [1] from a rate of 8% to 9%, beginning since 2016 financial year. Additional 5%, 6%, 8% y 9% rates were established in a temporary way for the 2015, 2016, 2017 y 2018 financial years respectively.

Law 1,819 issued on December 2016 eliminated the income tax for equity “CREE” tax (lately 6%), but simultaneously created a complementary income tax rate, defining a total 40% rate being that nominal income tax rate was already 34%.

Brazil remains with a 34% income tax rate.

[1] The CREE used to be a Colombian National tax which applies over profits and gains obtained by companies which are likely to enrich them. This tax replaced certain wage-based social contributions.

18 Information by segment

The Company reports the information by segment according to what is set forth in IFRS 8 “Operating Segments,” An operating segment is defined as a component of an entity over which separated financial information is available and is regularly reviewed.

In the information by segments, all transactions between the different operating segments have been eliminated.

18.1 Segmentation criteria

For management purposes, the Company is organized in five operative divisions: Supermarkets, Shopping Centers, Home Improvement stores, Department stores and Financial Services. These segments are the basic on which the Company makes decisions with respect to its operations and resource allocation.

The operative segments are disclosed in a similar way with the presentation of the internal reports used by Management in the control and decision making process, considering the segments from a point of view according to the type of business and geographical area.

The operating segments that are reported derive their revenues mainly from the sale of products and rendering of services to final consumers of retail. There are no customers whose purchases represent more than 10% of the consolidated revenue, nor a specific business segment.

The rest of the minor activities, mainly including the travel agency and family-entertainment centers businesses, plus certain consolidation adjustments and corporate expenses administered centrally, are included in the segment “Support services, financing, adjustments and other”.

18.2 Regional information by segment

The segment information which is delivered to the chief operating decision maker ("Board of Directors") of the reportable segments for the three months ended March 31, 2017 and March 31, 2016 in thousands of Chilean pesos is the following:

Regional information by segment

Consolidated statement of income	**Supermarkets**	**Shopping Centers**	**Home improvement**	**Department stores**	**Financial services**	**Support services, financing, adjustment sand other**	**Consolidated total**
	ThCh$	**ThCh$**	**ThCh$**	**ThCh$**	**ThCh$**	**ThCh$**	**ThCh$**
For the quarter ended March 31, 2017							
Revenues from ordinary activities	1,814,359,150	59,483,158	331,757,452	262,799,548	53,158,758	2,005,227	2,523,563,293
Cost of sales	(1,346,627,119)	(6,790,616)	(224,462,810)	(186,774,461)	(20,844,735)	(421,654)	(1,785,921,395)
Gross Margin	**467,732,031**	**52,692,542**	**107,294,642**		**32,314,023**	**1,583,573**	**737,641,898**
Other revenues by function	2,226,663	26,535,858	286,295	256,203	-	167,453	29,472,472
Sales, general and administrative expenses	(411,699,257)	(6,341,357)	(80,707,752)	(70,147,191)	(12,298,693)	(50,014,587)	(631,208,837)
Financial expenses, net	-	-	-	-	-	(62,574,224)	(62,574,224)
Participation in profit of equity method associates	42,781	-	-	-	4,466,037	-	4,508,818
Exchange differences	-	-	-	-	-	31,615,843	31,615,843
Losses from indexation	-	-	-	-	-	(2,785,855)	(2,785,855)
Other losses, net	(277,289)	-	(1,635,602)	-	-	(764,772)	(2,677,663)
Income tax expense	-	-	-	-	-	(35,915,116)	(35,915,116)
Net profit (loss)	**58,024,929**	**72,887,043**	**25,237,583**	**6,134,099**	**24,481,367**	**(118,687,685)**	**68,077,336**
Net profit (loss) from continued operations	**58,024,929**	**72,887,043**	**25,237,583**	**6,134,099**	**24,481,367**	**(118,687,685)**	**68,077,336**
Net profit (loss) from discontinued operations	-	-	-	-	-	-	-
Net profit (loss) of attributable to non-controlling interest	-	-	-	-	-	(910,052)	(910,052)
Net profit for the year attributable to controlling shareholders, Total	**58,024,929**	**72,887,043**	**25,237,583**	**6,134,099**	**24,481,367**	**(119,597,737)**	**67,167,284**
Depreciation and amortization	40,643,067	1,396,743	5,948,964	7,595,653	443,307	4,078,495	60,106,229

Consolidated statement of income	Supermarkets	Shopping Centers	Home improvement	Department stores	Financial services	Support services, financing, adjustments and other	Consolidated total
	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
For the quarter ended March 31, 2016							
Revenues from ordinary activities	1,813,974,167	54,003,766	324,368,894	247,215,355	39,733,346	2,588,712	2,481,884,240
Cost of sales	(1,350,118,155)	(5,556,222)	(215,805,344)	(179,512,697)	(13,255,733)	(1,058,821)	(1,765,306,972)
Gross Margin	**463,856,012**	**48,447,544**	**108,563,550**	**67,702,658**	**26,477,613**	**1,529,891**	**716,577,268**
Other income by function	2,466,271	37,836,338	103,863	124,352	(149)	243,513	40,774,188
Sales, general and administrative expenses	(378,004,290)	(6,261,099)	(74,357,921)	(67,394,237)	(12,336,195)	(46,135,834)	(584,489,576)
Financial expenses, net	-	-	-	-	-	(65,482,657)	(65,482,657)
Participation in profit of equity method associates	54,181	-	-	-	2,805,990	-	2,860,171
Exchange differences	-	-	-	-	-	38,525,604	38,525,604
Losses from indexation	-	-	-	-	-	(3,468,411)	(3,468,411)
Other gains (losses), net	-	-	-	-	-	(3,462,534)	(3,462,534)
Income tax expense	-	-	-	-	-	(32,805,216)	(32,805,216)
Net profit (loss)	**88,372,174**	**80,022,783**	**34,309,492**	**432,773**	**16,947,259**	**(111,055,644)**	**109,028,837**
Net profit (loss) from continued operations	**88,372,174**	**80,022,783**	**34,309,492**	**432,773**	**16,947,259**	**(111,055,644)**	**109,028,837**
Net profit (loss) from discontinued operations	-	-	-	-	-	-	-
Net profit (loss) of attributable to non-controlling interest	-	-	-	-	-	(1,347,029)	(1,347,029)
Net profit for the year attributable to controlling shareholders, Total	**88,372,174**	**80,022,783**	**34,309,492**	**432,773**	**16,947,259**	**(112,402,673)**	**107,681,808**
Depreciation and amortization	31,806,859	1,568,010	6,002,721	7,275,658	788,576	3,838,193	51,280,017

The Company controls the results of each of the operating segments, at the level of revenues, costs and management expenses. The support services, exchange rates, readjustments, taxes and non-recurring income and expense, or financial income, are not allocated, as they are centrally managed.

The financing policy of the Group has been historically getting financed and managing these resources through the Company Holding Cencosud S,A., the funds are subsequently transferred to other countries as required to finance the local investments. This policy aims to reduce the financial cost of the Group.

__18.3 Gross margin by country and segment, in thousands of Chilean pesos:__

Gross margin by country and segment

For the quarter ended March 31, 2017	Supermarkets	Shopping centers	Home improvement	Department stores	Financial services	Support services, financing, adjustments and other	Consolidated total
	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
Chile							
Ordinary income, total	630,335,950	36,208,796	135,890,474	247,384,026	38,546	1,629,542	1,051,487,334
Cost of sales	(462,731,602)	(2,190,160)	(99,905,096)	(173,871,770)	10,643	(20,118)	(738,708,103)
Gross margin	**167,604,348**	**34,018,636**	**35,985,378**	**73,512,256**	**49,189**	**1,609,424**	**312,779,231**
Argentina							
Ordinary income, total	396,131,410	16,095,187	180,405,964	-	35,891,532	1,112,401	629,636,494
Cost of sales	(264,043,135)	(3,884,803)	(112,714,092)	-	(13,769,223)	(402,035)	(394,813,288)
Gross margin	**132,088,275**	**12,210,384**	**67,691,872**	**-**	**22,122,309**	**710,366**	**234,823,206**
Brazil							
Ordinary income, total	403,439,464	-	-	-	833,384	-	404,272,848
Cost of sales	(321,854,791)	-	-	-	-	-	(321,854,791)
Gross margin	**81,584,673**	**-**	**-**	**-**	**833,384**	**-**	**82,418,057**
Peru							
Ordinary income, total	200,435,117	4,941,874	-	15,415,522	15,049,599	200,678	236,042,790
Cost of sales	(152,557,861)	(652,751)	-	(12,902,691)	(7,086,156)	(3,430)	(173,202,889)
Gross margin	**47,877,256**	**4,289,123**	**-**	**2,512,831**	**7,963,443**	**197,248**	**62,839,901**
Ordinary income, total	184,017,209	2,237,301	15,461,014	-	1,345,697	(937,394)	202,123,827
Cost of sales	(145,439,730)	(62,902)	(11,843,622)	-	1	3,929	(157,342,324)
Gross margin	**38,577,479**	**2,174,399**	**3,617,392**	**-**	**1,345,698**	**(933,465)**	**44,781,503**

Gross margin by country and segment

For the quarter ended March 31, 2016	Supermarkets	Shopping centers	Home improvement	Department stores	Financial services	Support services, financing, adjustments and other	Consolidated total
	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
Chile							
Ordinary income, total	626,355,817	31,807,909	135,674,523	233,513,088	413,978	1,993,339	1,029,758,654
Cost of sales	(468,139,519)	(1,077,436)	(99,488,952)	(168,502,568)	29,867	(219,617)	(737,398,225)
Gross margin	**158,216,298**	**30,730,473**	**36,185,571**	**65,010,520**	**443,845**	**1,773,722**	**292,360,429**
Argentina							
Ordinary income, total	409,606,067	15,713,620	173,389,012	-	22,991,018	653,519	622,353,236
Cost of sales	(278,107,393)	(3,718,751)	(104,822,121)	-	(7,134,755)	(183,838)	(393,966,858)
Gross margin	**131,498,674**	**11,994,869**	**68,566,891**	**-**	**15,856,263**	**469,681**	**228,386,378**
Brazil							
Ordinary income, total	377,705,355	-	-	-	1,149,388	-	378,854,743
Cost of sales	(290,435,146)	-	-	-	-	-	(290,435,146)
Gross margin	**87,270,209**	**-**	**-**	**-**	**1,149,388**	**-**	**88,419,597**
Peru							
Ordinary income, total	211,258,711	4,413,174	-	13,702,267	13,890,954	867,332	244,132,438
Cost of sales	(162,317,268)	(695,992)	-	(11,010,129)	(6,150,845)	(777,803)	(180,952,037)
Gross margin	**48,941,443**	**3,717,182**	**-**	**2,692,138**	**7,740,109**	**89,529**	**63,180,401**
Colombia							
Ordinary income, total	189,048,217	2,069,063	15,305,359	-	1,288,008	(925,478)	206,785,169
Cost of sales	(151,118,829)	(64,043)	(11,494,271)	-	-	122,437	(162,554,706)
Gross margin	**37,929,388**	**2,005,020**	**3,811,088**	**-**	**1,288,008**	**(803,041)**	**44,230,463**

18.4 Regional information by segment: Total assets

At March 31, 2017	Supermarkets	Shopping centers	Home improvement	Department stores	Financial services	Support services, financing, adjustments and other	Consolidated total
	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
Current Assets							
Cash and cash equivalents	159,029,259	3,615,929	6,279,757	49,405	498,180	41,257,950	210,730,480
Other financial assets, current	-	-	-	-	-	135,722,987	135,722,987
Other non-financial assets, current	17,806,241	1,156,405	3,029,056	1,190,502	14,492,822	2,372,650	40,047,676
Trade receivables and other receivables	243,187,297	25,002,531	49,916,431	23,311,369	450,882,930	18,666,060	810,966,618
Receivables due from related entities, current	-	-	-	-	19,752,035	-	19,752,035
Inventory	736,065,464	-	246,168,642	206,827,225	-	-	1,189,061,331
Current tax assets	21,289,312	11,076,321	13,948,283	14,362,650	3,727,351	28,367,601	92,771,518
Assets classified as held for sale, current	25,078,000	8,821,279	-	-	-	30,436,398	64,335,677
Total current assets	1,202,455,573	49,672,465	319,342,169	245,741,151	489,353,318	256,823,646	2,563,388,322
Non-Current Assets							
Other financial assets, non-current	-	-	-	-	-	260,141,584	260,141,584
Other non-financial assets, non-current	41,846,144	7,745,218	2,941,037	1,697,221	8,641	-	54,238,261
Trade receivables and other receivables, non-current	3,438,728	-	11,966,537	-	-	-	15,405,265
Equity method investments	1,060,656	-	-	-	202,139,191	-	203,199,847
Intangible assets other than goodwill	199,533,196	432,171	11,421,870	159,930,203	172,260	41,863,670	413,353,370
Goodwill	1,246,566,769	32,900,998	2,630,089	138,159,463	54,683,032	-	1,474,940,351
Property, plant and equipment	1,612,260,422	415,342,744	292,200,323	253,213,838	1,651,165	22,556,626	2,597,225,118
Investment property	-	2,118,997,973	-	-	-	-	2,118,997,973
Income tax assets, non-current	82,341,785	194,325	785,153	4,509,476	-	10,088	87,840,827
Deferred income tax assets	-	-	-	-	-	650,353,766	650,353,766
Total non-current assets	3,187,047,700	2,575,613,429	321,945,009	557,510,201	258,654,289	974,925,734	7,875,696,362
Total Assets	4,389,503,273	2,625,285,894	641,287,178	803,251,352	748,007,607	1,231,749,380	10,439,084,684

At December 31, 2016	Supermarkets	Shopping centers	Home improvement	Department stores	Financial services	Support services, financing, adjustments and other	Consolidated total
	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
Current Assets							
Cash and cash equivalents	181,727,680	4,377,803	13,760,047	2,246,159	1,008,517	72,098,797	275,219,003
Other financial assets, current	-	-	-	-	-	219,988,622	219,988,622
Other non-financial assets, current	7,618,030	758,065	1,541,496	1,014,364	11,070,047	1,626,277	23,628,279
Trade receivables and other receivables	291,088,879	30,693,990	68,693,890	30,059,294	420,662,271	25,941,353	867,139,677
Receivables due from related entities, current	37,222	-	-	-	28,950,954	-	28,988,176
Inventory	700,985,806	-	254,992,540	193,307,668	-	-	1,149,286,014
Current tax assets	16,633,102	2,090,444	3,647,748	13,803,843	3,722,153	34,238,357	74,135,647
Assets classified as held for sale, current	17,886,465	-	-	-	-	39,237,407	57,123,872
Total current assets	1,215,977,184	37,920,302	342,635,721	240,431,328	465,413,942	393,130,813	2,695,509,290
Non-Current Assets							
Other financial assets, non-current	-	-	-	-	-	287,360,674	287,360,674
Other non-financial assets, non-current	40,549,624	7,677,318	2,390,633	1,707,428	10,083	189	52,335,275
Trade receivables and other receivables, non-current	3,100,863	-	8,792,843	-	-	-	11,893,706
Equity method investments	989,721	-	-	-	199,737,813	-	200,727,534
Intangible assets other than goodwill	195,476,999	418,055	11,146,455	160,203,723	159,887	40,762,995	408,168,114
Goodwill	1,207,776,321	31,472,874	2,605,322	138,159,463	52,305,509	-	1,432,319,489
Property, plant and equipment	1,546,905,547	470,346,933	284,046,215	248,862,284	2,827,945	25,804,649	2,578,793,573
Investment property	-	2,081,694,027	-	-	-	-	2,081,694,027
Income tax assets, non-current	77,993,287	194,325	669,273	4,509,476	-	10,089	83,376,450
Deferred income tax assets	-	-	-	-	-	616,579,356	616,579,356
Total non-current assets	3,072,792,362	2,591,803,532	309,650,741	553,442,374	255,041,237	970,517,952	7,753,248,198
Total Assets	4,288,769,546	2,629,723,834	652,286,462	793,873,702	720,455,179	1,363,648,765	10,448,757,488

18.5 Current Asset and liabilities by segment

Regional information by segment Current assets and liabilities at March 31, 2017	Supermarkets ThCh$	ShoppingCenter ThCh$	Home Improvement ThCh$	Department Stores ThCh$	Financial Services (Insurance +cards + bank) ThCh$	Support Services, Financing, and Other Settings ThCh$	Total Consolidated ThCh$
Trade accounts payable and other payables	1,203,139,635	48,774,536	266,073,978	184,543,881	37,202,001	36,219,121	1,775,953,152

Regional information by segment Current assets and liabilities at December 31, 2016	Supermarkets ThCh$	ShoppingCenter ThCh$	Home Improvement ThCh$	Department Stores ThCh$	Financial Services (Insurance +cards + bank) ThCh$	Support Services, Financing, and Other Settings ThCh$	Total Consolidated ThCh$
Trade accounts payable and other payables	1,294,692,757	35,089,329	273,630,631	246,827,811	39,764,889	36,841,635	1,926,847,052

18.6 Information by country, assets and liabilities

In thousands of Chilean pesos:

Assets and liabilities by country

At March 31, 2017	Chile ThCh$	Argentina ThCh$	Brazil ThCh$	Peru ThCh$	Colombia ThCh$	Consolidated total ThCh$
Total assets	4,630,827,644	1,494,790,219	1,409,815,790	1,241,527,804	1,662,123,227	10,439,084,684
Total liabilities	4,070,820,061	821,940,222	517,343,768	374,113,886	445,837,259	6,230,055,196
Total Net equity	1,010,627,226	655,906,732	781,437,358	693,076,414	1,067,981,758	4,209,029,488
Adjustments to net investment	(450,619,643)	16,943,265	111,034,664	174,337,504	148,304,210	-
Net investment	560,007,583	672,849,997	892,472,022	867,413,918	1,216,285,968	4,209,029,488
Percentage of Net equity	24.0%	15.6%	18.6%	16.5%	25.4%	100.0%
Percentage of equity	13.3%	16.0%	21.2%	20.6%	28.9%	100.0%

At December 31, 2016	Chile ThCh$	Argentina ThCh$	Brazil ThCh$	Peru ThCh$	Colombia ThCh$	Consolidated total ThCh$
Total assets	4,779,856,500	1,411,985,049	1,431,919,219	1,240,938,778	1,584,057,942	10,448,757,488
Total liabilities	4,202,937,399	813,235,515	530,551,320	403,728,564	414,252,955	6,364,705,753
Total Net equity	885,649,473	655,906,732	781,437,358	693,076,414	1,067,981,758	4,084,051,735
Adjustments to net investment	(308,730,372)	(57,157,198)	119,930,541	144,133,800	101,823,229	-
Net investment	576,919,101	598,749,534	901,367,899	837,210,214	1,169,804,987	4,084,051,735
Percentage of Net equity	21.7%	16.1%	19.1%	17.0%	26.2%	100.0%
Percentage of equity	14.1%	14.7%	22.1%	20.5%	28.6%	100.0%

18.7 Regional information, including intersegments is as follows:

Regional information, by segment	For the three months ended March 31, 2017		
	Total revenue by segment	Total revenue intra-segment	Total segment revenue
	ThCh$	ThCh$	ThCh$
Supermarkets	1,814,359,150	-	1,814,359,150
Shopping	90,852,058	31,368,900	59,483,158
Home Improvement	332,017,106	259,654	331,757,452
Department stores	262,799,548	-	262,799,548
Financial Services	53,158,758	-	53,158,758
Others	2,005,227	-	2,005,227
TOTAL	2,555,191,847	31,628,554	2,523,563,293

Regional information, by segment	For the three months ended March 31, 2016		
	Total segment revenue	Total segment revenue	Total segment revenue
	ThCh$	ThCh$	ThCh$
Supermarkets	1,813,974,167	-	1,813,974,167
Shopping	89,687,280	35,683,514	54,003,766
Home Improvement	324,691,518	322,624	324,368,894
Department stores	247,215,355	-	247,215,355
Financial Services	39,733,346	-	39,733,346
Others	2,588,712	-	2,588,712
TOTAL	2,517,890,378	36,006,138	2,481,884,240

18.8 Non-current assets by country

At March 31, 2017	Chile	Argentina	Brazil	Peru	Colombia	Consolidated total
	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
Other non-financial assets	23,141,427	8,212,658	21,073,867	1,803,869	6,440	54,238,261
Trade receivables and other receivables	-	12,031,198	3,374,067	-	-	15,405,265
Equity Method investments	202,139,191	-	-	1,060,656	-	203,199,847
Intangible assets other than goodwill	220,458,618	10,220,320	64,026,156	110,774,272	7,874,004	413,353,370
Goodwill	246,378,878	1,493,810	408,838,951	271,398,389	546,830,323	1,474,940,351
Property Plant and Equipment	1,105,404,191	216,077,151	335,816,769	358,487,417	581,439,590	2,597,225,118
Investment Property	1,553,130,558	331,755,657	-	203,492,203	30,619,555	2,118,997,973
Income tax assets, non-current	4,852,773	9,374,978	73,613,076	-	-	87,840,827
Non -current assets—Total	3,355,505,636	589,165,772	906,742,886	947,016,806	1,166,769,912	6,965,201,012

At December 31, 2016	Chile	Argentina	Brazil	Peru	Colombia	Consolidated total
	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
Other non-financial assets	23,356,132	7,663,639	19,431,481	1,877,863	6,160	52,335,275
Trade receivables and other receivables	-	8,815,714	3,077,992	-	-	11,893,706
Equity Method investments	199,737,813	-	-	989,721	-	200,727,534
Intangible assets other than goodwill	219,352,035	9,823,814	64,145,345	106,901,729	7,945,191	408,168,114
Goodwill	246,378,878	1,467,433	397,062,475	264,355,612	523,055,091	1,432,319,489
Property Plant and Equipment	1,107,174,199	212,741,017	340,287,996	355,639,693	562,950,668	2,578,793,573
Investment Property	1,531,658,588	323,482,594	-	197,264,575	29,288,270	2,081,694,027
Income tax assets, non-current	4,852,774	5,409,578	73,114,098	-	-	83,376,450
Non -current assets—Total	3,332,510,419	569,403,789	897,119,387	927,029,193	1,123,245,380	6,849,308,168

The amounts for non-current assets by country shown in this note exclude other non-current financial assets, deferred tax assets as per IFRS 8.

18.9 Additions to non-current assets:

	Supermarkets	Shopping Center	Home Improvement	Department Stores	Financial Services (Insurance +cards +bank)	Support Services, Financing,a nd Other Settings	Total Consolidated
	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
As of March 31, 2017							
Property plant and equipment	25,202,757	5,608,454	3,878,478	3,890,078	112,409	1,152,903	39,845,079
Intangible asset, other that goodwill	2,356,686	45,740	681,399	1,752,606	48,618	3,490,432	8,375,481
Goodwill	-	-	-	-	-	-	-
Investment property	-	1,818,907	-	-	-	-	1,818,907
Total additions	27,559,443	7,473,101	4,559,877	5,642,684	161,027	4,643,335	50,039,467

	Supermarkets	Shopping Center	Home Improvement	Department Stores	Financial Services (Insurance +cards +bank)	Support Services, Financing, and Other Settings	Total Consolidated
	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
As of December 31, 2016							
Property plant and equipment	113,455,353	33,906,164	11,131,370	27,836,982	1,258,327	4,803,064	192,391,260
Intangible asset, other that goodwill	8,638,903	138,107	2,964,884	9,083,317	584,489	16,262,072	37,671,772
Goodwill	-	-	-	-	-	-	-
Investment properties	-	1,225,878	-	-	-	-	1,225,878
Total additions	122,094,256	35,270,149	14,096,254	36,920,299	1,842,816	21,065,136	231,288,910

19 Restrictions, contingencies, legal proceedings and other matters

19.1 Civil legal proceedings

- The subsidiaries Cencosud Retail S.A. , Easy S.A., Cencosud Shopping Centers S.A., and Administradora del Centro Comercial Alto Las Condes Ltda., are involved in lawsuits and litigation that are pending as of March 31, 2016. The amounts of these claims are covered by a civil liability insurance policy.

- On May 22, 2015 the municipality constructions authority of Vitacura ordered the stagnation of the project developed by Cencosud Shopping Centers S.A., on the piece of land located at the 8950 of Kennedy Avenue in Santiago. This Municipality based its decision on the fact that the construction does not have the required permission. The Company filed an appeal on June 19, 2015 to the metropolitan administrative authority (Secretaria Regional Ministerial – “SEREMI”), who issued a ruling accepting the Company`s pretentions and ordering the Municipality to adjust its decision.

  On November 13, 2015, SEREMI resolved the Appeal brought by Cencosud Shopping Centers S.A., welcoming and ordering the authority of Vitacura, among other considerations, to adjust its action in accordance with the regulations applicable to the date of granting the respective permit. On November 25, 2015, “SEREMI” issued an extended ruling, which reverted its previous position base on the Public Ministry’s opinion.

  On December 23, 2015 Cencosud filed a “protection claim” to the Appellate Court, alleging to revoke the SEREMI`s new position redefined on November 25, 2015. On April 2016 the Appellate Court accepted the Cencosud’s protection claim, being appealed that decision by SEREMI against the Supreme Court. On May 30, 2016 the Supreme Court rejected the SEREMI`s pretentions, which means that the ruling originally issued on June 19, 2015 is fully valid, and it confirms the Company`s allegations. On August 17, 2016 SEREMI resolved to invalid its ruling according to the Supreme Court decision.

  On August 17, 2016, the SEREMI resolved to invalidate the exempted resolution questioned in compliance with the Supreme Court's ruling. On January 19, 2017, the municipality constructions authority of Vitacura proceeded to invalidate the aforementioned resolution by which it paralyzed the works. On that same date, the authority issued a new resolution in which it established the expiration of the building permit, which was rendered invalid by virtue of a decision issued by the Court of Appeals of Santiago on February 2, 2017.

- During January 2016, the authority National Economic Prosecutor (Fiscalia Nacional Económica FNE) filed a claim to the Free Competition Court (Tribunal de Defensa de la Libre Competencia) against Cencosud, Walmart Chile and SMU supermarkets’ chains, for alleged collusion between the mentioned chains for a price-fixing scheme involving poultry products. On April 6, 2016, a new court´s order was issued, by which the probationary stage began since October 20, 2016.

  The Group answered the aforementioned request to the Court on March 22, 2016, and categorically rejected the allegations raised by the FNE in such claim. The company will keep defending itself in the process to prove its innocence.

  To Cencosud collusion and anti-competitive practice is unacceptable and totally condemnable.

  Potential fines in this case could be up to 30.000 UTA (approximately U.S. $24.5 million at the time of the suit filing).

- An indirectly controlled subsidiary of Cencosud S,A in Colombia is involved in litigations regarding extra contractual civil responsibility. The amounts of these claims are covered by a civil liability insurance policy.

- The indirect controlled Cencosud Colombia S.A. was legally requested by the social welfare government authority (UGPP), about omissions, arrears and inaccuracies incurred respect the lawful contributions of several employees. The process is being driven by a local Labour Court and it suits pretentions amounted to USD $846 thousand. The Company, in consultation with its legal advisors, considers that the chances of getting a favorable ruling to the position of the company are reasonably higher than obtain an unfavorable ruling.

- A civil lawsuit was filed against the indirectly controlled affiliate Cencosud Brasil Comercial Ltda., by the Public Employees Union in supermarkets in the State of Sergipe, which is awaiting the first instance ruling. The union is seeking compensation for overtime hours for all employees of the subsidiary for the period after May 2007. The petition was filed and supported by the ruling, albeit still not judicial, that was issued through another public civil claim, which annulled a bank of hours from May 2007 to April 2009. Based on the opinion of our legal advisors, we cannot estimate the value of the case based on the complexity of the calculations related to the process, as well as the absence of evidence in the dossier to quantify.

- Cencosud Retail Peru S.A, an indirectly controlled subsidiary of Cencosud S,A. has several outstanding cases at the close of the financial statements for liability claims causes. Total amounts claimed raise to MUSD 14. The Company, in consultation with its legal advisors, considers that the chances of getting a favorable ruling to the position of the company are reasonably higher than obtain an unfavorable ruling.

- The indirect subsidiary Cencosud S.A. Argentina and Jumbo Retail S.A. Argentina, present several cases pending at the close of the financial statements for claims of civil liability, the amounts claimed amount to MUSD 4,238. The Company, in consultation with its legal advisors, estimates that the chances of obtaining a judgment favorable to the company's position are reasonably superior to those of obtaining an unfavorable ruling.

- The indirect subsidiary Cencosud S.A. Argentina and Jumbo Retail S.A. Argentina, present several cases pending at the close of the financial statements for claims of labor type with their workers, whose amounts claimed amount to MUSD 29,030. The Company, in consultation with its legal advisors, estimates that the chances of obtaining a judgment favorable to the company's position are reasonably superior to those of obtaining an unfavorable ruling.

19.2 Taxation legal proceedings

As of March 31, 2017, the Group's Companies maintain several taxation legal controversies, which the most relevant are shown as follows:

Country	**Society**	**Grounds**	**Amount** [1] **ThCh$**	**Stage of the process**	**Expected outcome** [2]
Chile	Cencosud S.A.	Shares transference cost	7,500,000	Trial	Positive
	Cencosud Internacional Limitada	Shares transference cost	27,010,215	Trial	Positive
	Cencosud Retail S.A.	Deductible expenses income tax	1,915,647	Trial	Positive
	Cencosud Retail S.A.	First category income tax	8,186,021	Trial	Positive
	Paris Administradora Sur Limitada	First category income tax	3,768,171	Trial	Positive
	Paris Administradora Centro Limitada	Deductible expenses, offsetting losses	2,388,090	Trial	Positive
	Cencosud Retail S.A.	Deductible expenses income tax	3,305,773	Trial	Positive
	Sociedad Comercial de Tiendas S.A.	Income tax	332,015	Trial	Positive
Peru	Cencosud Perú	VAT or G&S tax	1,062,694	Trial	Positive
Brazil	Cencosud Comercial Ltda	Income tax	54,940,302	Trial	Positive
	Cencosud Comercial Ltda	PIS & CONFIS [3]	20,775,069	Trial	Positive
	Cencosud Comercial Ltda	Different causes – Activities Tax	14,074,871	Trial	Positive

[1] Amount refers to tax payable or tax (rebate). Amounts may vary. Fines, interest, translations and adjustments shall be also updated up to payment date, if necessary
[2] Potential outcomes are provided for the legal advisors who carry the processes
[3] The PIS and COFINS are federal social contributions designed for funding the social security system in Brazil, which are based on company's gross revenues

The tax contingencies and taxation legal proceedings disclosed above are deemed to be of a positive outcome.

20 Stock options

As of March 31, 2017 the Company has shared-based compensation plans for executives of Cencosud S,A, and affiliates which had no changes compared with December 31, 2016.

As at September 28, 2015 the Company launched the 2016 options plan. All the Executives have accepted this plan, and they have waived in respect to any previous existing plans as at September 28, 2015, which have not been exercised by them, including those not exercised because the respective terms have been met. The change in the plan was given a treatment for following the guidance of IFRS 2 "Share based payments".

	Numbers of shares	
	As of	
Stock options granted to key executives	**3/31/2017**	**12/31/2016**
1) Outstanding as of the beginning of the period	675,000	35,676,984
2) Granted during the period	-	-
3) Forfeited during the period	-	(1,080,000)
4) Exercised during the period (see note 15.1)	-	(33,812,984)
5) Expired at the end of the period	-	(109,000)
6) Outstanding at the end of the period	675,000	675,000
7) Vested and expected to vest at the end of the period	675,000	675,000
8) Eligible for exercise at the end of the period	40	40

Stock options—Impact in P&L	**As of March 31, 2017**	**As of March 31, 2016**
	ThCh$	**ThCh$**
Impact in the income statement	1,096,628	3,739,726

In relation to the 2016, 2015 and 2014 Retention Plans, the outstanding options as of March 31, 2017 had a weighted-average contractual life of 0.18 years, 0.13 years and 0.07 years respectively. As of December 31, 2016 those options had a weighted-average contractual life of 0.25 years, 0.25 years and 0.10 years respectively.

The Company utilizes a valuation model that is based in a constant volatility assumption to value its employee share options. The fair value of each option grant has been estimated, as of the grant date, using the Black Scholes option pricing model.

The expected volatility is based on market data information. The calculation consisted of the determination of the standard deviation from the Company's historical closing stock prices during a time horizon approximated to the relevant maturity.

21 Assets and liabilities classified as held for sale, and discontinued operations

IFRS requires assets that meet the criteria to be classified as held for sale (a) to be measured at the lower of carrying amount and fair value less costs to sell, and depreciation on such assets to cease; (b) an asset classified as held for sale and the assets and liabilities included within a disposal group classified as held for sale to be presented separately in the statement of financial position; and (c) the results of discontinued operations to be presented separately in the statement of comprehensive income.

IFRS 5 requires that a company "restate" its statement of comprehensive income as if the operation had been discontinued for all prior periods presented.

As of March 31, 2017 and December 31, 2016 assets and liabilities are presented as non-current for disposal classified as "held for sale". According to the disclosures required by IFRS 5, the balance is the following:

1) Balance of the assets and liabilities classified as non-current assets for disposal - "held for sale", as of March 31, 2017 and December 31, 2016 are presented as follows:

Assets	3/31/2017 Unaudited	12/31/2016
	ThCh$	ThCh$
Current assets		
Other financial assets, current	-	5,011
Other non-financial assets, current	140,616	134,502
Trade receivables and other receivables, current	326,616	929,937
Inventories, current	950,564	877,016
Total current assets	1,417,796	1,946,466
Non-current assets		
Trade receivables and other receivables, non-current	-	8,879,073
Property, plant and equipment	59,978,639	43,359,091
Investment property	2,939,242	2,939,242
Total non-current assets	62,917,881	55,177,406
Total non-current assets classified as held for sale	64,335,677	57,123,872

Liabilities	3/31/2017 Unaudited	12/31/2016
	ThCh$	ThCh$
Current liabilities		
Other financial liabilities, current	347,301	1,842,529
Trade payables and other payables, current	2,930,314	2,802,909
Other provisions, current	82,277	78,699
Current provision for employee benefits	78,742	75,319
Total current liabilities	3,438,634	4,799,456
Non-current liabilities		
Other financial liabilities, non-current	3,513,473	10,869,777

Total non-current liabilities	3,513,473	10,869,777
Total non-current liabilities classified as held for sale	6,952,107	15,669,233

Detail of the assets and liabilities classified as non-current assets for disposal as "held for sale" as of March 31, 2017, and December 31, 2016 are presented below:

a) Sale of non-strategic assets: Pieces of land Chile

A s of March 31, 2017, date of close of these financial statements, the Company remains committed to the plan of sale of undeveloped land in Chile. The process has been planned, defined and structured in conjunction with the Property and Shopping Divisions Management.

The assets included in this plan correspond to assets classified among Properties Plant and Equipment and Investment Property items, whose book value is expected to be recovered through the future sale, rather than continuing using them within business units that the company operates. The sale of these assets is considered highly probable, and is expected to be materialized during the next twelve months. Key management has initiated an active program with the necessary actions to conclude agreements of significant conditions, such as the price and timing of the transactions with unrelated third parties, and finally sell them within the defined term.
The Company has taken a number of administrative and operational plans to finalize the sale, therefore it has commissioned exclusively to the brokerage society "Colliers" to market these assets so. This company has extensive expertise in real estate and finance sectors.

Non-current assets and liabilities classified as held for sale as of March 31, 2017, and December 31, 2016 are presented as follows:

Property, plant and equipment; and Investment property held for sale	**3/31/2017 Unaudited**	**12/31/2016**
	ThCh$	**ThCh$**
Land	32,437,651	16,570,947
Facilities	348,921	348,921
Furnishings	5,511	5,511
Leased assets	5,414,316	5,414,316
Buildings	4,456,863	4,456,863
Total property, plant and equipment	42,663,262	26,796,558
Other financial liabilities, current and non-current - Leasing	(3,860,774)	(3,860,774)
Investment property	2,939,242	2,939,242

Detailed assets, classified as held for sale, has been recognized at the lower of carrying amount and fair value less costs to sell, from the moment of the reclassification.

b) Gas stations - Colombia

Colombian gas stations, previously reported under the "supermarkets" segment in our financial statements, has been included within the assets and liabilities held for sale as of March 31, 2016, are presented as follows:

Gas stations - Colombia	**3/31/2017 Unaudited**	**12/31/2016**
	ThCh$	**ThCh$**
Other non financial assets, current	140,616	134,502
Trade receivables and other receivables, current	326,616	312,416
Inventories, current	950,564	877,016
Property, plant and equipment	17,315,377	16,562,533
Trade payables and other payables, non-current	(2,930,314)	(2,802,909)
Other provisions, current	(82,277)	(78,699)
Current provision for employee benefits	(78,742)	(75,319)
Total gas stations classified as held for sale	15,641,840	14,929,540

The Company determined a plan for the sale of these assets, for which is expected to be completed in one year.

2) Sale of the Banco Paris business

On December 15, 2016, a contract was signed for the sale and transfer of assets and for the transfer and assumption of liabilities between Banco Paris and Banco Scotiabank Chile, where Banco Paris sells, and transfers to Scotiabank a set of mortgage loans granted By Banco Paris to different debtors, a set of assets originated in the acquisition of mortgage bonds issued by Banco Paris under the terms of Chapter 9-1 of the updated SBIF and II. A.1 of the Compendium of Financial Regulations of the Central Bank of Chile and other financial investments made by Banco Paris, all of them net of the corresponding provisions. The sale, assignment and transfer of the assets object of this instrument will be perfected on the closing date, as this term will be defined later by the parties. The sale, assignment and transfer of the assets object of this instrument were formally completed on January 1, 2017.

Assets and liabilities held for sale allocated within the Banco Paris business as of December 31, 2016 are presented according to the following detail:

Banco Paris	12/31/2016 ThCh$
Other financial assets, current	5,011
Trade receivables and other receivables, current	617,521
Trade receivables, non-current	8,879,073
Other financial liabilities, current	(1,495,228)
Other financial liabilities, non-current	(7,356,304)
Net value of Banco Paris classified as held for sale	650,073

22 Subsequent events

- The Ordinary Shareholders Meeting held on April 28, 2017, defined a final dividend of $30 per share in relation to the 2016 net distributable profits. The payment of the mentioned dividend will be made from May 17, 2017.

- On April 28, 2017, the Board of Directors has defined to apply for a voluntary delisting of its ADRs from the NYSE, in connection with the intention to terminate the ADR facility, and deregister with the Securities and Exchange Commission.

  ADR holders will be entitled to surrender their ADRs to Bank of New York Mellon for cancellation, and upon payment of the applicable fees, taxes and charges as provided in the deposit agreement, receive the underlying shares of common stock of Cencosud. Cencosud will maintain its listings on the Santiago Stock Exchange, the Chile Electronic Stock Exchange, and the Valpara'so Stock Exchange.

Between the date of issuance of these condensed consolidated financial statements and the filing date of this report, management is not aware of any other subsequent events that could significantly affect the consolidated financial statements.