



Cencosud Agrees to Acquire 24.52% of Almacenes Exito for \$273 Million

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[What follows is the full text of the news story.]

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Cencosud S.A. (OTCBB: CSUDF), a publicly traded Chilean retailer with market capitalization of US\$5.3 billion, announced today it has reached an agreement to acquire a 24.52% in Almacenes Exito S.A. from the company's founding family, the Toro Family, for approximately \$273 million in cash or a price per share of COP\$12,500. Almacenes Exito, a publicly traded company in the Colombian Stock Exchange, is the largest retailer in Colombia with \$1.7 billion in sales and US\$136 million in EBITDA for the 12 months ending on June 30, 2006. Earlier this year, Almacenes Exito announced the acquisition of the country's second largest retailer, Carulla Vivero, and such acquisition is pending regulatory approval.

The completion of the Cencosud transaction is subject to the exercise of a right of first of offer contemplated in the shareholders' agreement between the Toro Family and the other major shareholders in the Company, which are France-based Casino Guichard Perrachon (39% stakeholder), leading Colombian economic group Grupo Empresarial Antioqueno (11% stakeholder) and the prominent local Mejia Family (5% stakeholder). In the event such shareholders do not exercise their right, Cencosud will complete the acquisition of the 24.52% stake through the Colombian Stock Exchange within the next 180 days.

"In the event that we are successful in acquiring the Toro Family's stake, Almacenes Exito will provide us with a unique opportunity to enter the high-growth Colombian retail market. We are confident that our retail knowhow and experience combined with Colombia's increased political and economic stability, underscored by the forthcoming FTA between Chile and Colombia, lends itself to an exciting story for growth and profitability going forward", said Laurence Golborne, CEO of Cencosud S.A.

This transaction represents the largest single investment by a Chilean corporation in Colombia, and it underscores a recent trend of increased strategic interest from major Chilean companies in Colombia's burgeoning consumer market.

"The Toro Family has ended a 56-year cycle in Almacenes Exito. We are proud of what our family has built and we are confident that Almacenes Exito will benefit from having such a highly-reputed company like Cencosud as a new shareholder", said Jose Restrepo in representation of the members of the Toro Family.

New York-based Athelera LLC acted as exclusive financial advisor to the Toro Family and Bogota-based Torrado Angarita & Pinzon acted as Counsel for the Toro Family.

About Cencosud S.A.

Cencosud is a leading multi-format retailer in Chile and Argentina. Through its supermarket, home improvement, department stores, shopping centers and financial services divisions, the Company targets a wide range of customers with the right combinations of products, prices and quality, designed to meet their growing demands. As of June 30th 2006, the Company operates 30 Jumbo hypermarkets, 103 Santa Isabel supermarkets, 2 Las Brisas Supermarkets, 235 supermarkets under the brand names Disco, Plaza Vea, Super Vea and Mini Sol, 47 Easy home improvement stores, 22 Paris department stores, 19 shopping centers and 48 Banco Paris branch offices.

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About Almacenes Exito S.A.

Almacenes Exito is Colombia's largest retailer. As of June 30, 2006, the company operates 31 EXITO stores (hypermarket format), 55 Ley stores (supermarket format), 10 POMONA stores (high-end format) and 2 Q'precios stores (discount format) in the country's 34 municipalities, totaling over 330 thousand square meters of sales area. The company serves over 140 million clients every year.

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