

SMU INFORMS ANTITRUST COURT RULING

Santiago, Chile. March 1, 2019. SMU S.A. (“SMU” or the “Company”) (Santiago Stock Exchange: SMU) was notified today of a ruling by the Chilean Antitrust Court (*Tribunal de Defensa de la Libre Competencia* or “TDLC”) with respect to a complaint filed by the Chilean antitrust authority (*Fiscalía Nacional Económica* or “FNE”) in 2016, ordering the Company to pay a fine of 3,438 Annual Tax Units (approximately US\$3.1 million) and to adopt a compliance program with respect to free competition—complementary to the Company’s existing program—including at least the requirements established in the ruling.

SMU emphatically denies having participated in any anti-competitive agreement or concerted practices with its competitors. SMU’s history as a company is one of competition: the Company entered the food retail business in 2007 with a small market share, facing an industry that was led by two large supermarket chains, and introduced greater levels of competition into the market.

In addition, it should be noted that the TDLC’s ruling confirms a ruling by the TDLC that was confirmed by the Chilean Supreme Court in a case known as the “chicken case”, in which it was clearly established that chicken producers had colluded without the participation of the supermarket chains.

SMU holds itself to high ethical standards and has a set of internal protocols in order to ensure that best practices are followed with the Company’s suppliers and customers.

The Company remains absolutely convinced that it acted properly, and it will appeal the ruling before the Chilean Supreme Court in order to prove its innocence.

The full text of the Essential Fact (*Hecho Esencial*) filed with the Chilean Financial Markets Commission is provided below.



ESSENTIAL FACT

**SMU S.A.
SECURITIES REGISTRY REGISTRATION NO. 1076**

Santiago, March 1, 2019

Mr. Joaquín Cortez Huerta
President
Financial Markets Commission

Re.: Essential Fact.

Dear Mr. Superintendent:

I have been duly authorized to inform you, in accordance with Article 9 and paragraph two of Article 10 of Law No. 18,045, of the following essential fact relating to SMU S.A. (“SMU” or the “Company”):

Today SMU was notified of the ruling by the Chilean Antitrust Court (*Tribunal de Defensa de la Libre Competencia* or “TDLC”), with respect to a complaint filed by the Chilean antitrust authority (*Fiscalía Nacional Económica* or “FNE”) in 2016, ordering the Company to pay a fine of 3,438 Annual Tax Units (approximately US\$3.1 million) and to adopt a compliance program with respect to free competition—complementary to the Company’s existing program—including at least the requirements established in the ruling.

The Company remains absolutely convinced that it acted properly, and it will appeal the ruling before the Chilean Supreme Court in order to prove its innocence.

Very truly yours,

**Marcelo Gálvez Saldías
Chief Executive Officer
SMU S.A.**



About SMU

SMU is the largest Chilean food retailer, based on number of stores, and the third largest Chilean food retailer, based on revenue for the year ended December 31, 2017. We operate our food retail business in Chile through four different formats: supermarkets (*Unimarc*), cash and carry stores (*Mayorista 10* and *Alvi*), convenience stores (*OK Market*) and an online grocer (*Telemercados*). We also operate in Peru, through two food cash and carry brands, *Mayorsa* and *MaxiAhorro*.

Caution Regarding Forward-Looking Statements

This press release may contain forward-looking statements. We have based any such forward-looking statements largely on our current beliefs, expectations and projections about future events and financial trends affecting our business. Although management considers these projections to be reasonable based on information currently available to it, many important factors could cause our actual results to differ substantially from those anticipated in our forward-looking statements. The words "believe," "may," "will," "aim," "estimate," "continue," "anticipate," "intend," "expect," "forecast" and similar words are intended to identify forward-looking statements. Forward-looking statements include information concerning our possible or assumed future results of operations, business strategies, financing plans, competitive position, industry environment, potential growth opportunities and the effects of future regulation and competition. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks that predictions, forecasts, projections and other forward-looking statements will not be achieved. In light of the risks and uncertainties described above, the forward-looking events and circumstances discussed in this press release might not occur and are not guarantees of future performance. Therefore, we caution readers not to place undue reliance on these statements. Forward-looking statements speak only as of the date they were made, and we undertake no obligation to update or revise any forward-looking statements included in this press release because of new information, future events or other factors.

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