

9M12-3Q12

Earnings Release



SONDA S.A.



EARNINGS RELEASE

January 01, 2012 – September 30, 2012

SONDA S.A. (Santiago Stock Exchange: SONDA), the leading Latin American owned private-sector IT Services provider, announces its consolidated financial results as of September 30, 2012. All figures are expressed in Chilean Pesos and have been prepared under International Financial Reporting Standards (IFRS). Conversions to US dollars stated in this report are based on the month-end exchange rate as of September 30, 2012 (1 US\$=473.77 Chilean Pesos).

1. EXECUTIVE SUMMARY

SONDA totaled consolidated revenues of \$497,421 million (US\$1,049.9 million) for the first nine months of 2012, showing an increase of 25.3% YoY. Operating income¹ grew to \$60,715 million (US\$128.2 million) and EBITDA² reached \$83,633 million (US\$176.5 million), reflecting a rise of 29.7% and 34.2% YoY respectively. EBITDA margin was 16.8%, up 110bp when compared to the same period in 2011. Net income totaled \$32,818 million (US\$69.3 million) growing 26.3% YoY.

These results are in line with regional operations' figures:

In millions of Ch\$	Revenues		EBITDA	
Chile	222,629	+41.0%	46,533	+23.9%
Brazil	169,729	+12.8%	21,938	+44.7%
Mexico	42,993	-12.8%	7,071	+23.2%
OPLA	62,070	+57.9%	8,092	+111.1%
Total	497,421	+25.3%	83,633	+34.2%

As of September 2012, ROE ended up at 14.7%. Current ratio (1.20x), financial leverage (0.64x) and financial expenses coverage (9.67x) ratios, continued reflecting a healthy financial position.

For the third quarter of 2012(3Q2012), SONDA totaled consolidated revenues of \$168,258 million (US\$355.1 million), showing an increase of 22.0% YoY. Operating income grew by 44.4%, to \$21,014 million (US\$44.4 million) and EBITDA reached \$28,857 million (US\$60.9 million), reflecting a rise of 44.4% and 44.3% YoY respectively. Net income totaled \$8,693 million (US\$18.3 million) growing 99.5% YoY. EBITDA margin was 17.2%, up 270bp when compared to 3Q2011.

Highlights:

- Devaluation of the Brazilian Reais with regards to Chilean Peso during 2012, negatively affected the conversion of the results of Brazilian operations to reporting currency and with this, the consolidated results. Excluding the effect of exchange rate fluctuations in the conversion of local currencies to reporting currency (Chilean peso), the consolidated revenues would grow by 30.6% and EBITDA by 39.3% YoY. For 3Q2012, excluding the conversion effect, consolidated revenues for 3Q12 will grow by 31.0% and EBITDA by 53.4% YoY.
- Operations outside Chile generated revenues for \$274,792 million (US\$580.0 million), up 15.0% YoY and contributing with 55.2% of consolidated revenues. The exchange rate fluctuations also have an effect in the combined results of operations outside of Chile, which without this effect, would have increased revenue by 24.8%, and for 3Q2012, revenue would have grown by 31.1%.
- Operating income and EBITDA for the operations outside of Chile increased by 37.5% and 50.0%, totalizing \$26,333 million (US\$55.6 million) and \$37,101 million (US\$78.3 million), respectively. Without conversion effects, EBITDA would grow by 63.2% in 9M12 and 107.0% in 3Q2012.

¹ Operating Income: Gross Profit – Administration Expenses

² EBITDA: Operating Income + Depreciation and Amortization

SUMMARY: 9M12-3Q12

- Consolidated Revenues: US\$1,049.9\$ m
- Operating Income: US\$128.2 m
- EBITDA: US\$176.5 m
- Net Income: US\$69.3 m
- Revenues Growth: +25.3 YoY
- EBITDA Growth: +34.2 YoY

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- In Brazil, revenues grew by 12.8%, reaching \$169,729 million (US\$358.3 million), in line with higher EBITDA (+44.7% YoY) and 12.9% EBITDA margin (280bp YoY). Expressed in local currency, revenues in Brazil grew by 29.3% and EBITDA by 67.6% for 9M12, while 47.3% in revenue and 167.1% in EBITDA for 3Q2012.
- In Mexico, operating income and EBITDA increased by 23.0% and 23.2% respectively, while EBITDA margin reached 16.4%, 470 bp YoY.
- The OPLA region showed strong figures, with \$62,070 million (US\$131.0 million / +57.9%) in revenues, and higher operating income (+27.6% YoY) and EBITDA (+111.1% YoY). EBITDA margin reached 13.0%, 320 bp YoY.
- Revenues in Chile up 41.0% YoY, totaling \$222,629 million (US\$469.9 million) and EBITDA increase 23.9%, reaching \$46,533 million (US\$98.2 million).
- Net income attributable to the owners of the company reached \$32,818 million (US\$69.3 million), growing by 26.3% YoY.
- New deals closed volume during the first nine months of 2012 reached US\$934.2 million, down 5.0% YoY. This decrease is mainly due to the effect of the Metrobus' project in Panama (US\$180 million) in 2011. Excluding this, new deals closed would have grown by 16.3% YoY.

Figure 1 – Consolidated
Financial Statements Summary

CONSOLIDATED FINANCIAL STATEMENTS

SONDA S.A.

In millions of Ch\$

INCOME STATEMENT	sep-11	sep-12	Dev.	Var. %
Revenues	396,911	497,421	100,511	25.3%
Cost of Sales	(312,203)	(391,592)	(79,388)	25.4%
<i>Gross Profit</i>	<i>84,707</i>	<i>105,830</i>	<i>21,122</i>	<i>24.9%</i>
<i>Administration Expenses</i>	<i>(37,884)</i>	<i>(45,115)</i>	<i>(7,231)</i>	<i>19.1%</i>
Operating Income ⁽¹⁾	46,824	60,715	13,891	29.7%
<i>Depreciation and Amortization</i>	<i>15,477</i>	<i>22,918</i>	<i>7,441</i>	<i>48.1%</i>
EBITDA ⁽²⁾	62,301	83,633	21,333	34.2%
Other Income	866	1,813	946	109.2%
Other Expenses	(9,083)	(6,978)	2,106	-23.2%
Share of Profit (Loss) of Associates	327	548	221	67.5%
<i>Profit (Loss) From Operating Activities</i>	<i>38,934</i>	<i>56,098</i>	<i>17,165</i>	<i>44.1%</i>
Financial Income	5,019	2,174	(2,845)	-56.7%
Financial Expenses	(7,170)	(8,645)	(1,475)	20.6%
Foreign Exchange Differences	477	(524)	(1,002)	209.8%
Income (Loss) for Indexed Assets and Liabilities	(1,042)	(660)	382	-36.7%
Other Comprehensive Income	(48,489)	(57,386)	(8,897)	18.3%
Net Income Before Taxes	36,218	48,443	12,225	33.8%
Income Tax Expense	(8,634)	(13,108)	(4,474)	51.8%
Net Income from Continuing Operations	27,584	35,335	7,751	28.1%
Net Income Attributable to Minority Interest	1,607	2,517	910	56.6%
Net Income Attributable to Owners of the Company	25,977	32,818	6,841	26.3%
BALANCE SHEET	Dec-11	sep-12	Dev.	Var. %
Assets	578,785	644,316	65,531	11.3%
Current Assets	270,536	270,298	(238)	-0.1%
Cash and Cash Equivalents	32,936	33,123	188	0.6%
Trade Accounts Receivable and Other Receivables, Net	163,707	146,469	(17,238)	-10.5%
Accounts Receivable from Related Companies	13,346	12,858	(488)	-3.7%
Inventories	26,986	29,928	2,942	10.9%
Other Assets	31,372	38,544	7,172	22.9%
Property, Plant and Equipment, Net	79,463	91,012	11,549	14.5%
Investment Properties	3,537	3,358	(179)	-5.1%
Intangibles Assets and Goodwill	171,818	225,026	53,208	31.0%
Other Assets	53,431	54,623	1,192	2.2%
Liabilities	267,455	349,622	82,167	30.7%
Current Liabilities	169,261	224,465	55,204	32.6%
Other Current Financial Liabilities	36,696	102,973	66,277	180.6%
Other Liabilities	132,565	121,492	(11,072)	-8.4%
Other Non-Current Financial Liabilities	87,196	86,081	(1,115)	-1.3%
Other Liabilities, Non-Current	10,999	39,076	28,077	255.3%
Minority Interest	4,719	5,017	297	6.3%
Total Shareholders' Equity Attributable to Owners of the Company	306,611	289,677	(16,933)	-5.5%
Total Liabilities and Shareholders' Equity	578,785	644,316	65,531	11.3%

⁽¹⁾ Operating Income: Gross Profit – Administration Expenses⁽²⁾ EBITDA: Operating Income + Depreciation and Amortization

2. MANAGEMENT DISCUSSION AND ANALYSIS ON 9M12 AND 3Q12 CONSOLIDATED RESULTS

I. CONSOLIDATED RESULTS FOR SEPTEMBER 2012 (9M12)

REVENUES

Consolidated revenues reached \$497,421 million (US\$1,049.9 million) for 9M12, up 25.3% YoY (+\$100,511 million / US\$212.2 million), mostly explained by:

- ➔ +19.4% rise (+\$43,185 million / US\$91.2 million) in revenues from IT services business, totaling \$265,709 million (US\$560.8 million), as a result of:
 - +30.0% increase in outsourcing's revenues (+\$28,083 million / US\$59.3 million), reaching \$121,831 million (US\$257.2 million)
 - +17.1% greater revenues from IT support services (+\$11,340 million / US\$23.9 million), totaling \$77,642 million (US\$163.9 million)
 - +6.0% increase in professional services and systems integration (+\$3,761 million / US\$7.9 million), to \$66,236 million (US\$139.8 million)
- ➔ growth of 42.1% (+\$56,283 million / US\$118.8 million) in platforms business, reaching \$190,086 million (US\$401.2 million), mainly as a consequence of:
 - +27.9% larger sales of HW (+\$31,547 million / US\$66.6 million), totalizing \$144,546 million (US\$305.1 million)
 - +119.6% sales of SW (+\$22,528 million / US\$47.6 million), reaching \$41,357 million (US\$87.3 million)
- ➔ Growth of 2.6% in application business (\$1,043 million / US\$2.2 million), reaching \$41,627 million (US\$87.9 million), due to:
 - +15.8% increase in sales of development and maintenance (+\$2,565 million / US\$5.4 million), totalizing \$18,754 million (US\$39.6 million)
 - -5.9% lower sales in support service and applications implantation (+\$1,102 million / US\$2.3 million), reaching \$17,469 million (US\$36.9 million)

Regarding revenue breakdown by business line, IT services business contributed with a 53.4% of consolidated revenues, platforms service line provided a 38.2% and applications business generated the remaining 8.4%.

Figure 2 – Consolidated Revenues
by Business Line

CONSOLIDATED REVENUES		In millions of Ch\$		
Business Line	sep-11	sep-12	Dev.	Var. %
Platforms	133,802	190,086	56,283	42.1%
IT Services	222,524	265,709	43,185	19.4%
Applications	40,584	41,627	1,043	2.6%
Total	396,911	497,421	100,511	25.3%
Share by Business Line		sep-11	sep-12	
Platforms		33.7%	38.2%	
IT Services		56.1%	53.4%	
Applications		10.2%	8.4%	
Total		100.0%	100.0%	

COST OF SALES AND ADMINISTRATIVE EXPENSES

Cost of sales totaled \$391,592 million (US\$826.5 million) for 9M12, showing an increase of 25.4% YoY, in line with increased level of revenue.

Administration expenses reached \$45,115 million (US\$95.2 million), up 19.1% YoY, mostly explained by the consolidation of Quintec, Pars and Elucid.

OPERATING INCOME AND EBITDA

Operating income amounted to \$60,715 million (US\$128.2 million) increasing 29.7% YoY. Gross margin as a percentage of revenues totaled 21.3%, while operating margin was 12.2%.

EBITDA totaled \$83,633 million (US\$176.5 million / +34.2% YoY), as a product of better results for the whole company, while EBITDA margin reached 16.8%, growing by 110 bp YoY.

Figure 3 – Income Statement

	In millions of Ch\$			
CONSOLIDATED INCOME STATEMENT	sep-11	sep-12	Dev.	Var. %
Revenues	396,911	497,421	100,511	25.3%
Cost of Sales	(312,203)	(391,592)	(79,388)	25.4%
Gross Profit	84,707	105,830	21,122	24.9%
Administration Expenses	(37,884)	(45,115)	(7,231)	19.1%
Operating Income ⁽¹⁾	46,824	60,715	13,891	29.7%
EBITDA ⁽²⁾	62,301	83,633	21,333	34.2%
Net Income Attributable to Owners	25,977	32,818	6,841	26.3%
FINANCIAL RATIOS	%	%		
Gross Margin	21.3%	21.3%		
Operating Margin	11.8%	12.2%		
EBITDA Margin	15.7%	16.8%		
Net Margin	6.5%	6.6%		

⁽¹⁾ Operating Income: Gross Profit – Administration Expenses

⁽²⁾ EBITDA: Operating Income + Depreciation and Amortization

OTHER COMPREHENSIVE INCOME (Excluding Administration Expenses)

Total other comprehensive income, excluding administration expenses, moved from a loss of \$10,606 million (US\$22.4 million) in September 2011 to a loss of \$12.272 million (US\$25.9 million) in September 2012. Main variations correspond to a decrease in financial income, an increase in financial costs and a greater loss on Foreign Exchange Differences, which are partially offset by lower Other Expenses by Function.

NET INCOME

Net income attributable to the owners of the company, accumulated \$32,818 million (US\$69.3 million) as of September 30, 2012, reflecting an increase of 26.3% YoY.

II. CONSOLIDATED RESULTS FOR THE THIRD QUARTER OF 2012 (3Q12)

REVENUES

Consolidated revenues reached \$168,258 million (US\$355.1 million) in 3Q12, up 22.0% YoY, mainly due to:

- larger revenues from IT services business (+12.6% YoY), totaling \$88,225 million (US\$186.2 million), mainly driven by:
 - 27.1% increase in outsourcing's revenues (+\$8,678 million / US\$18.3 million), to \$40,670 million (US\$85.8 million)
 - 7.0% rise in revenues from IT support services (+\$1,706 million / US\$3.6 million), totalizing \$25,977 million (US\$54.8 million)
- platforms business revenues up 40.6% YoY (+\$18,802 million / US\$39.7 million) reaching \$65,059 million (US\$137.3 million), principally as a result of:
 - +21.9% larger sales of HW (+\$8,558 million / US\$18.1 million), to \$47,668 million (US\$100.6 million)
 - +168.0% larger sales of SW (+\$10,175 million / US\$21.5 million), reaching \$16,233 million (US\$34.3 million)
- applications business with total revenues up 12.9% YoY (+\$1,715 million / US\$3.6 million), totalizing \$14,975 million (US\$31.6 million), as a result of:
 - +56.3% larger sales of Licenses (+\$746 million / US\$1.6 million), to \$2,072 million (US\$4.4 million)
 - +30.8% larger sales of Development and Maintenance (+\$1,704 million / US\$3.6 million), reaching \$7,230 million (US\$15.3 million)

In terms of revenue breakdown by business line, IT services contributed with 52.4% of consolidated revenues during the third quarter of 2012, while applications and platforms business lines provided 8.9% and 38.7%, respectively.

Figure 4 – Consolidated Revenues by Business Line

CONSOLIDATED REVENUES		In millions of Ch\$		
Business Line	3Q11	3Q12	Dev.	Var. %
Platforms	46,257	65,059	18,802	40.6%
IT Services	78,366	88,225	9,859	12.6%
Applications	13,259	14,975	1,715	12.9%
Total	137,882	168,258	30,376	22.0%
Share by Business Line		3Q11	3Q12	
Platforms		33.5%	38.7%	
IT Services		56.8%	52.4%	
Applications		9.6%	8.9%	
Total		100.0%	100.0%	

COST OF SALES AND ADMINISTRATIVE EXPENSES

Cost of sales amounted \$132,273 million (US\$279.2 million) for 3Q12, up 20.7% YoY, primarily as a result of increased revenues. Main variations correspond to a +34.8% due to higher cost of platforms sales and the consolidation of Quintec, reaching \$55,561 million (US\$117.3 million).

Administration expenses totaled \$14,971 million (US\$31.6 million), growing by 8.9% YoY, mostly explained by the consolidation of Quintec, starting in September 2011.

OPERATING INCOME AND EBITDA

Operating income reached \$21,014 million (US\$44.4 million / +44.4% YoY). Gross margin as a percentage of revenues reached 21.4%, while operating margin was 12.5%.

EBITDA increased to \$28,857 million (US\$61.0 million / +44.3% YoY) for 3Q12 and EBITDA margin reached 17.2% for the period.

Figure 5 – Income Statement

	In millions of Ch\$			
CONSOLIDATED INCOME STATEMENT	3Q11	3Q12	Dev.	Var. %
Revenues	137,882	168,258	30,376	22.0%
Cost of Sales	(109,579)	(132,273)	(22,693)	20.7%
Gross Profit	28,302	35,985	7,683	27.1%
Administration Expenses	(13,747)	(14,971)	(1,224)	8.9%
Operating Income ⁽¹⁾	14,555	21,014	6,459	44.4%
EBITDA ⁽²⁾	19,991	28,857	8,866	44.3%
Net Income Attributable to Owners	4,357	8,693	4,336	99.5%
FINANCIAL RATIOS	%	%		
Gross Margin	20.5%	21.4%		
Operating Margin	10.6%	12.5%		
EBITDA Margin	14.5%	17.2%		
Net Margin	3.2%	5.2%		

OTHER COMPREHENSIVE INCOME (Excluding Administration Expenses)

Total other comprehensive income, excluding administration expenses, experienced a small variation, moving from a loss of \$7,719 million (US\$16.3 million) in 3Q11 to a loss of \$7,560 million (US\$16.0 million) in 3Q12.

NET INCOME

Net income attributable to the owners of the Company, amounted \$8,693 million (US\$18.3 million) for 3Q12, up 99.5% YoY.

3. REGIONAL RESULTS FOR THE FIRST NINE MONTHS OF 2012 (9M12) AND THE THIRD QUARTER OF 2012 (3Q12)

CHILE

Main changes in Chile between 9M11 and 9M12 are described below:

- revenues of \$222,629 million (US\$469.9 million), increasing 41.0% YoY, as a result of growth coming from IT services (+35.5% YoY) and platforms (+49.2% YoY), due to higher sales and the consolidation of Quintec's operations in Chile
- operating income reaching \$34,382 million (US\$72.6 million / +24.2% YoY) and EBITDA totaling \$46,533 million (US\$98.2 million / +23.9% YoY)
- Operating and EBITDA margin decreased to 15.4% and 20.9%, respectively, after Quintec's consolidation

Figure 6 – Business in Chile

In millions of Ch\$								
CHILE	sep-11	sep-12	Dev.	Var. %	3Q11	3Q12	Dev.	Var. %
Revenues	157,891	222,629	64,738	41.0%	54,830	72,497	17,667	32.2%
Platforms	71,927	107,285	35,358	49.2%	24,697	35,180	10,483	42.4%
IT Services	78,079	105,808	27,729	35.5%	27,260	33,828	6,568	24.1%
Applications	7,886	9,537	1,651	20.9%	2,872	3,489	617	21.5%
Cost of Sales	(117,266)	(168,323)	(51,057)	43.5%	(41,271)	(55,564)	(14,293)	34.6%
Gross Profit	40,625	54,306	13,681	33.7%	13,558	16,933	3,375	24.9%
Administration Expenses	(12,951)	(19,923)	(6,972)	53.8%	(4,944)	(6,691)	(1,747)	35.3%
Operating Income ⁽¹⁾	27,674	34,382	6,708	24.2%	8,614	10,242	1,628	18.9%
EBITDA ⁽²⁾	37,562	46,533	8,971	23.9%	12,064	14,306	2,241	18.6%
Operating Margin	17.5%	15.4%			15.7%	14.1%		
EBITDA Margin	23.8%	20.9%			22.0%	19.7%		

⁽¹⁾ Operating Income: Gross Profit – Administration Expenses

⁽²⁾ EBITDA: Operating Income + Depreciation and Amortization

Main changes in Chile between 3Q11 and 3Q12 are described below:

- \$72,497 million (US\$153.0 million / +32.2% YoY) in revenues for 3Q12, in line with higher revenues coming from all business lines: platforms (+42.4% YoY), IT services (+24.1% YoY) and applications (+21.5%)
- operating income of \$10,242 million (US\$21.6 million), increasing 18.9% YoY, due to higher gross profit (+24.9% YoY)
- EBITDA totaling \$14,306 million (US\$30.2 million), with a 18.6% rise, and EBITDA margin down to 19.7% when compared with 22.0% in 3Q11, mainly as a result of Quintec's consolidation

BRAZIL

Main changes in Brazil between 9M11 and 9M12 are described below:

- revenues totaling \$169,729 million (US\$358.3 million), up 12.8% YoY, primarily due to the growth from IT services business (+4.7% YoY), due to higher demand from existing contracts, and Platforms (+72.1% YoY), positively influenced by PARS consolidation. Revenues in Brazil, expressed in local currency (BRL) increased by 29.3%
- Operating income reached \$17,897 million (US\$37.8 million / +44.7% YoY), and EBITDA reached \$21,938 million (US\$46.3 million / +44.7% YoY). In local currency, EBITDA grow by 67.6%.
- operating margin and EBITDA margin were 10.5% and 12.9%, increasing by 230bp and 280bp, respectively

Figure 7 – Business in Brazil

In millions of Ch\$								
BRAZIL	sep-11	sep-12	Dev.	Var. %	3Q11	3Q12	Dev.	Var. %
Revenues	150,435	169,729	19,294	12.8%	50,464	61,115	10,650	21.1%
Platforms	21,573	37,138	15,564	72.1%	6,175	15,562	9,387	152.0%
IT Services	100,816	105,590	4,774	4.7%	35,341	35,542	201	0.6%
Applications	28,046	27,002	(1,044)	-3.7%	8,948	10,010	1,062	11.9%
Cost of Sales	(121,498)	(137,758)	(16,259)	13.4%	(41,690)	(48,895)	(7,205)	17.3%
Gross Profit	28,937	31,971	3,035	10.5%	8,775	12,220	3,445	39.3%
Administration Expenses	(16,566)	(14,075)	2,491	-15.0%	(5,764)	(4,644)	1,121	-19.4%
Operating Income ⁽¹⁾	12,371	17,897	5,526	44.7%	3,010	7,576	4,566	151.7%
EBITDA ⁽²⁾	15,164	21,938	6,774	44.7%	4,023	8,848	4,825	119.9%
Operating Margin	8.2%	10.5%			6.0%	12.4%		
EBITDA Margin	10.1%	12.9%			8.0%	14.5%		

⁽¹⁾ Operating Income: Gross Profit – Administration Expenses

⁽²⁾ EBITDA: Operating Income + Depreciation and Amortization

Main changes in Brazil between 3Q11 and 3Q12 are described below:

- revenues reaching \$61,115 million (US\$129.0 million), growing 21.1% YoY, explained by larger revenues from the platforms (+152.0% YoY) and applications (11.9% YoY) businesses. Revenues in local currency grow by 47.3% YoY.
- operating income and EBITDA reaching \$7,576 million (US\$16.0 million) and \$8,848 million (US\$18.7 million), increasing by 151.7% and 119.9% YoY, respectively. EBITDA in local currency grow by 167.1% YoY.
- higher both operating and EBITDA margin, at 12.4% and 14.5% for 3Q12, from 6.0% and 8.0% in 3Q11, respectively

MEXICO

Main changes in Mexico between 9M11 and 9M12 are described below:

- revenues down 12.8% YoY, totaling \$42,993 million (US\$90.7 million), as a result of lower revenues from the platforms business (-22.0% YoY) considering the high base for comparison in 2011 due to a large scale project mostly delivered that year. Excluding this effect, revenues would have grown by 6.4%
- operating income of \$5,635 million (US\$11.9 million / +23.0% YoY) and \$7,071 million (US\$14.9 million / +23.2% YoY) in EBITDA as a result for the better margin during the period
- operating margin reached 13.1%, while EBITDA margin grew 470 bp, totalizing 16.4%

Figure 8 – Business in Mexico

MEXICO	In millions of Ch\$							
	sep-11	sep-12	Dev.	Var. %	3Q11	3Q12	Dev.	Var. %
Revenues	49,277	42,993	(6,284)	-12.8%	18,392	15,006	(3,385)	-18.4%
Platforms	25,251	19,706	(5,545)	-22.0%	9,691	7,226	(2,465)	-25.4%
IT Services	23,704	23,016	(688)	-2.9%	8,700	7,792	(908)	-10.4%
Applications	322	271	(51)	-15.8%	0	(11)	(11)	#iDIV/0!
Cost of Sales	(40,276)	(32,674)	7,602	-18.9%	(14,926)	(11,397)	3,529	-23.6%
Gross Profit	9,001	10,319	1,318	14.6%	3,465	3,610	144	4.2%
Administration Expenses	(4,418)	(4,684)	(266)	6.0%	(1,530)	(1,480)	51	-3.3%
Operating Income ⁽¹⁾	4,583	5,635	1,052	23.0%	1,935	2,130	195	10.1%
EBITDA ⁽²⁾	5,742	7,071	1,330	23.2%	2,335	2,612	277	11.9%
Operating Margin	9.3%	13.1%			10.5%	14.2%		
EBITDA Margin	11.7%	16.4%			12.7%	17.4%		

⁽¹⁾ Operating Income: Gross Profit – Administration Expenses

⁽²⁾ EBITDA: Operating Income + Depreciation and Amortization

Main changes in Mexico between 3Q11 and 3Q12 are described below:

- revenues for \$15,006 million (US\$31.7 million), a 18.4% YoY decrease, as a result of lower revenue from the Platforms business line (-25.4% YoY) considering the high base for comparison in 2011 due to a large scale project delivered that year.
- operating income, reaching \$2,130 million (US\$4.5 million), 10.1% up from 3Q11 figures and EBITDA growing by 11.9% YoY, to \$2,612 million (US\$5.5 million)
- operating margin was 14.2%, while EBITDA margin reached 17.4%, with significant improvements when compared to 3Q11 (+370bp and +470bp, respectively)

OPLA (Other countries in Latin America)

Main changes in OPLA (which includes Argentina, Colombia, Costa Rica, Ecuador, Peru, Panama and Uruguay) between 9M11 and 9M12 are described below:

- ➔ 57.9% increase in revenues, to \$62,070 million (US\$131.0 million), due to higher results in all business lines: IT services (+57.1% YoY), platforms (+72.5% YoY) and applications (+11.2% YoY). These figures are explained by good results in all the 7 countries of this region, Quintec's consolidation, and the beginning of operations of the Metrobus' project in Panama in Feb-12
- ➔ growth in both operating income and EBITDA, to \$2,801 million (US\$5.9 million) and \$8,092 million (US\$17.1 million), growing 27.6% and 111.1% YoY, respectively
- ➔ operating margin was 4.5% and EBITDA margin reached 13.0%, 320 bp up YoY

Figure 9 –Business in OPLA

OPLA	In millions of Ch\$							
	sep-11	sep-12	Dev.	Var. %	3Q11	3Q12	Dev.	Var. %
Revenues	39,308	62,070	22,762	57.9%	14,196	19,640	5,444	38.3%
Platforms	15,051	25,957	10,906	72.5%	5,693	7,091	1,398	24.6%
IT Services	19,926	31,296	11,370	57.1%	7,064	11,062	3,998	56.6%
Applications	4,331	4,817	487	11.2%	1,439	1,487	48	3.3%
Cost of Sales	(33,163)	(52,837)	(19,673)	59.3%	(11,692)	(16,417)	(4,725)	40.4%
Gross Profit	6,144	9,233	3,089	50.3%	2,504	3,223	719	28.7%
Administration Expenses	(3,949)	(6,432)	(2,484)	62.9%	(1,508)	(2,157)	(648)	43.0%
Operating Income ⁽¹⁾	2,195	2,801	605	27.6%	996	1,066	70	7.1%
EBITDA ⁽²⁾	3,834	8,092	4,258	111.1%	1,568	3,091	1,523	97.1%
Operating Margin	5.6%	4.5%			7.0%	5.4%		
EBITDA Margin	9.8%	13.0%			11.0%	15.7%		

⁽¹⁾ Operating Income: Gross Profit – Administration Expenses

⁽²⁾ EBITDA: Operating Income + Depreciation and Amortization

Main changes in OPLA between 3Q11 and 3Q12 are described below:

- ➔ 38.3% increase in revenues, to \$19,640 million (US\$41.5 million), due to better results in both platforms and IT services business (+24.6% / +56.6% YoY)
- ➔ operating income of \$1,066 million (US\$2.3 million / +7.1% YoY) and EBITDA of \$3,091 million (US\$6.5 million / +97.1% YoY)
- ➔ operating margin totaled 5.4%, while EBITDA margin reached 15.7%, improving by 470 bp

Figure 10 – Regional Summary

REGIONAL SUMMARY	In millions of Ch\$							
	sep-11	sep-12	Dev.	Var. %	3Q11	3Q12	Dev.	Var. %
CHILE								
Revenues	157,891	222,629	64,738	41.0%	54,830	72,497	17,667	32.2%
Platforms	71,927	107,285	35,358	49.2%	24,697	35,180	10,483	42.4%
IT Services	78,079	105,808	27,729	35.5%	27,260	33,828	6,568	24.1%
Applications	7,886	9,537	1,651	20.9%	2,872	3,489	617	21.5%
Cost of Sales	(117,266)	(168,323)	(51,057)	43.5%	(41,271)	(55,564)	(14,293)	34.6%
Gross Profit	40,625	54,306	13,681	33.7%	13,558	16,933	3,375	24.9%
Administration Expenses	(12,951)	(19,923)	(6,972)	53.8%	(4,944)	(6,691)	(1,747)	35.3%
Operating Income ⁽¹⁾	27,674	34,382	6,708	24.2%	8,614	10,242	1,628	18.9%
EBITDA ⁽²⁾	37,562	46,533	8,971	23.9%	12,064	14,306	2,241	18.6%
Operating Margin	17.5%	15.4%			15.7%	14.1%		
EBITDA Margin	23.8%	20.9%			22.0%	19.7%		
BRASIL								
Revenues	150,435	169,729	19,294	12.8%	50,464	61,115	10,650	21.1%
Platforms	21,573	37,138	15,564	72.1%	6,175	15,562	9,387	152.0%
IT Services	100,816	105,590	4,774	4.7%	35,341	35,542	201	0.6%
Applications	28,046	27,002	(1,044)	-3.7%	8,948	10,010	1,062	11.9%
Cost of Sales	(121,498)	(137,758)	(16,259)	13.4%	(41,690)	(48,895)	(7,205)	17.3%
Gross Profit	28,937	31,971	3,035	10.5%	8,775	12,220	3,445	39.3%
Administration Expenses	(16,566)	(14,075)	2,491	-15.0%	(5,764)	(4,644)	1,121	-19.4%
Operating Income ⁽¹⁾	12,371	17,897	5,526	44.7%	3,010	7,576	4,566	151.7%
EBITDA ⁽²⁾	15,164	21,938	6,774	44.7%	4,023	8,848	4,825	119.9%
Operating Margin	8.2%	10.5%			6.0%	12.4%		
EBITDA Margin	10.1%	12.9%			8.0%	14.5%		
MÉXICO								
Revenues	49,277	42,993	(6,284)	-12.8%	18,392	15,006	(3,385)	-18.4%
Platforms	25,251	19,706	(5,545)	-22.0%	9,691	7,226	(2,465)	-25.4%
IT Services	23,704	23,016	(688)	-2.9%	8,700	7,792	(908)	-10.4%
Applications	322	271	(51)	-15.8%	0	(11)	(11)	#iDIV/0!
Cost of Sales	(40,276)	(32,674)	7,602	-18.9%	(14,926)	(11,397)	3,529	-23.6%
Gross Profit	9,001	10,319	1,318	14.6%	3,465	3,610	144	4.2%
Administration Expenses	(4,418)	(4,684)	(266)	6.0%	(1,530)	(1,480)	51	-3.3%
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Applications	4,331	4,817	487	11.2%	1,439	1,487	48	3.3%
Cost of Sales	(33,163)	(52,837)	(19,673)	59.3%	(11,692)	(16,417)	(4,725)	40.4%
Gross Profit	6,144	9,233	3,089	50.3%	2,504	3,223	719	28.7%
Administration Expenses	(3,949)	(6,432)	(2,484)	62.9%	(1,508)	(2,157)	(648)	43.0%
Operating Income ⁽¹⁾	2,195	2,801	605	27.6%	996	1,066	70	7.1%
EBITDA ⁽²⁾	3,834	8,092	4,258	111.1%	1,568	3,091	1,523	97.1%
Operating Margin	5.6%	4.5%			7.0%	5.4%		
EBITDA Margin	9.8%	13.0%			11.0%	15.7%		

(1) Operating Income: Gross Profit – Administration Expenses

(2) EBITDA: Operating Income + Depreciation and Amortization

4. ANALYSIS OF CONSOLIDATED BALANCE SHEET

ASSETS

Total assets amounted \$644,316 million (US\$1,360.0 million) as of September 30, 2012, with a rise of 11.3% when compared to December 31, 2011. This is mainly explained by increases in:

- other current assets for \$14,358 million (US\$30.3 million), totaling \$47,920 million (US\$101.1 million), mainly due to PARS and Elucid consolidation in Brazil
- property, plant and equipment, for \$11,549 million (US\$24.4 million), totaling \$91,012 million (US\$192.1 million) as of September 2012, increased mainly originated in Chile, associate to the construction of the Datacenter and investments for the development of projects with clients
- intangible assets and goodwill, for \$53,208 million (US\$112.3 million), as a consequence of PARS and Elucid acquisitions, reaching \$225,026 million (US\$475.0 million) as of September 2012

By September 2012, the company shows a reasonable liquidity position, with a current ratio of 1.20x. Working capital reached \$45,832 million (US\$96.7 million).

LIABILITIES

Total liabilities reached \$349,622 million (US\$738.0 million) as of September 30, 2012, reflecting a rise of 30.7% regarding December 2011, mainly driven by the 32.6% growth in current liabilities, primarily due to bank loans obtained to finance the company investment plan.

Debt level remained stable at the end of September 2012, being its main indicators a leverage ratio (total liabilities / equity) at 1.21x, financial leverage ratio (financial liabilities / equity) at 0.64x and financial expenses coverage ratio of 9.67x.

SHAREHOLDER'S EQUITY

Shareholders' equity attributable to the owners of the company, reached \$289,677 million (US\$611.4 million) as of September 30, 2012. Main changes compared to Dec-11, are the results of the period, the interim dividend and conversion effects from foreign subsidiaries.

In terms of profitability, ROE increased to 14.7%.

Figure 11 – Financial Ratios Summary

CONSOLIDATED FINANCIAL RATIOS		sep-11	sep-12	Var % sep-12 sep-11	Dec-11	Var % sep-12 Dec-11
Liquidity						
Current Ratio (Current Assets / Current Liabilities)	(times)	1.64	1.20	-26.7%	1.60	-24.7%
Quick Ratio (Current Assets - Invent. - Others ^(*) / Current Liabilities)	(times)	1.23	0.93	-24.6%	1.25	-26.2%
Working Capital (Current Assets - Current Liabilities)	Million Ch\$	96,605	45,832	-52.6%	101,275	-54.7%
Indebtedness						
Leverage (Current Liabilities + Non-Current Liabilities) / Equity	(times)	0.81	1.21	49.1%	0.87	38.4%
Short-Term Debt (Current Liabilities / Total Liabilities)	(times)	0.62	0.64	3.9%	0.63	1.4%
Long-Term Debt (Non-Current Liabilities / Total Liabilities)	(times)	0.38	0.36	-6.3%	0.37	-2.5%
Financial-Expenses-Coverage Ratio (EBITDA / Financial Expenses)	(times)	8.69	9.67	11.3%	10.04	-3.6%
Profitability						
ROE ^(**) (Net Income attrib.to Owners / Equity attrib.to Owners, average)	%	11.7%	14.7%	25.4%	13.6%	8.0%
ROA ^(**) (Net Income attrib.to Owners of Comp. / Assets , average)	%	6.6%	7.2%	9.0%	7.5%	-4.4%
Earnings per Share ^(**) ^(***) (Net Income attrib.to Owners of Comp. / Total Shares)	Ch\$	44.9	56.7	26.3%	52.7	7.7%
Dividend Yield ^(****) (Dividends Paid / Closing Market Stock Price)	%	1.8%	2.0%	7.4%	1.9%	4.0%

(*) Others = Accounts Receivable from Related Companies; Prepayments; Current Tax Receivable; Other Current Assets.

(**) Corresponds to annualized profitabilities.

(***) Figures consider a total of 771.057.175 shares for Sep-11, Dec-11 and Sep-12.

(****) For determining the ratios, the values for Equity, Total Assets, Inventories and Operational Assets have been calculated as:

- Sep-12: average between Sep-12 and Dec-11

- Sep-11: average between Sep-11 and Dec-10

- Dec-11: average between Dec-11 and Dec-10

STATEMENTS OF CASH FLOW

Cash and Cash Equivalents totaled \$33,123 million (US\$69.9 million) in Sep-12, compared to \$25,890 million (US\$54.6 million) obtained as of September 30, 2011.

The Operating Cash Flow shows a positive balance of \$52,533 million (US\$110.9 million) as of September 2012, as a result of collection activities net of payments to suppliers, employees and taxes.

Investment Cash Flow, reach \$85,470 million (US\$180.4 million), increasing the use of funds by \$81,502 million (US\$172.0 million), mainly due to PARS and Elucid's acquisitions.

Capital expenditures (CAPEX) totaled \$86,096 million (US\$181.7 million) as of September, 2012, including permanent investments for \$53,733 million (US\$113.4 million) and \$32,363 million (US\$68.3 million) invested in fixed assets for projects with clients and the new Datacenter in Chile.

The cash flow from financing activities was \$37,078 million (US\$78.3 million) corresponding to the net balance between income and loans payment. The increase is mainly a consequence of the funding obtained to concrete the company's investment plan.

Figure 12 – Statements of Cash Flow

STATEMENTS OF CASH FLOW	In millions of Ch\$			
	sep-11	sep-12	Dev.	Var. %
Net Cash Flows from (used in) Operating Activities	21,929	52,533	30,604	139.6%
Net Cash Flows from (used in) Investing Activities	(3,968)	(85,470)	(81,502)	2,054.0%
Net Cash Flows from (used in) Financing Activities	(14,494)	37,078	51,571	-355.8%
Net Increase (Decrease) in Cash and Cash Equivalents before effect of Exchange Rates	3,468	4,140	672	19.4%
Effect of Exchange Rate changes on Cash and Cash Equivalents	1,302	(3,953)	(5,254)	-403.6%
Net Increase (Decrease) in Cash and Cash Equivalents	4,770	188	(4,582)	-96.1%
Cash and Cash Equivalents at beginning of period	21,121	32,936	11,815	55.9%
Cash and Cash Equivalents at End of Period	25,890	33,123	7,233	27.9%