

# Corporate Presentation



15th Annual Latin American Conference

January 11-13, 2011

Cancun, México





## Company Overview

IT Industry in Latin America

Comprehensive Offering

Financial Performance

Strategic Plan

Conclusions



# A genuine regional player

2011

SONDA



Founded in Chile in 1974, SONDA has more than **36 years of experience**

Present in **9 countries** in the region, with **+1.000 cities** under coverage

Over **10.000** employees in the region out of which more than **6,000** are based in Brazil

With US\$ 703 million in revenues in FY09 and US\$ 232 million in 3Q10, SONDA is the largest Latin American IT Services provider and an undisputed leader in systems integration, support and IT outsourcing

Expansion started in Latin America by entering in Peru in 1984 expanding to other eight other countries in Latin America

Corporate market recognizes SONDA as an independent and comprehensive service provider, with world-class credentials and quality certifications

Core business model is based on developing long term relationships, closeness and contact with customers, through its more than 8,000 IT professionals

Positive financial results as a consequence of a successful regional expansion, increase in high value-added revenues and strength of recurring revenues

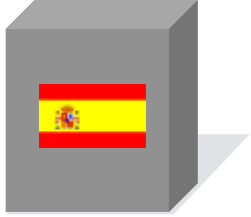
2010-2012 Investment plan for US\$ 500 million intended to continue consolidating SONDA regional leading position



## Main incumbents



## Recent entrants



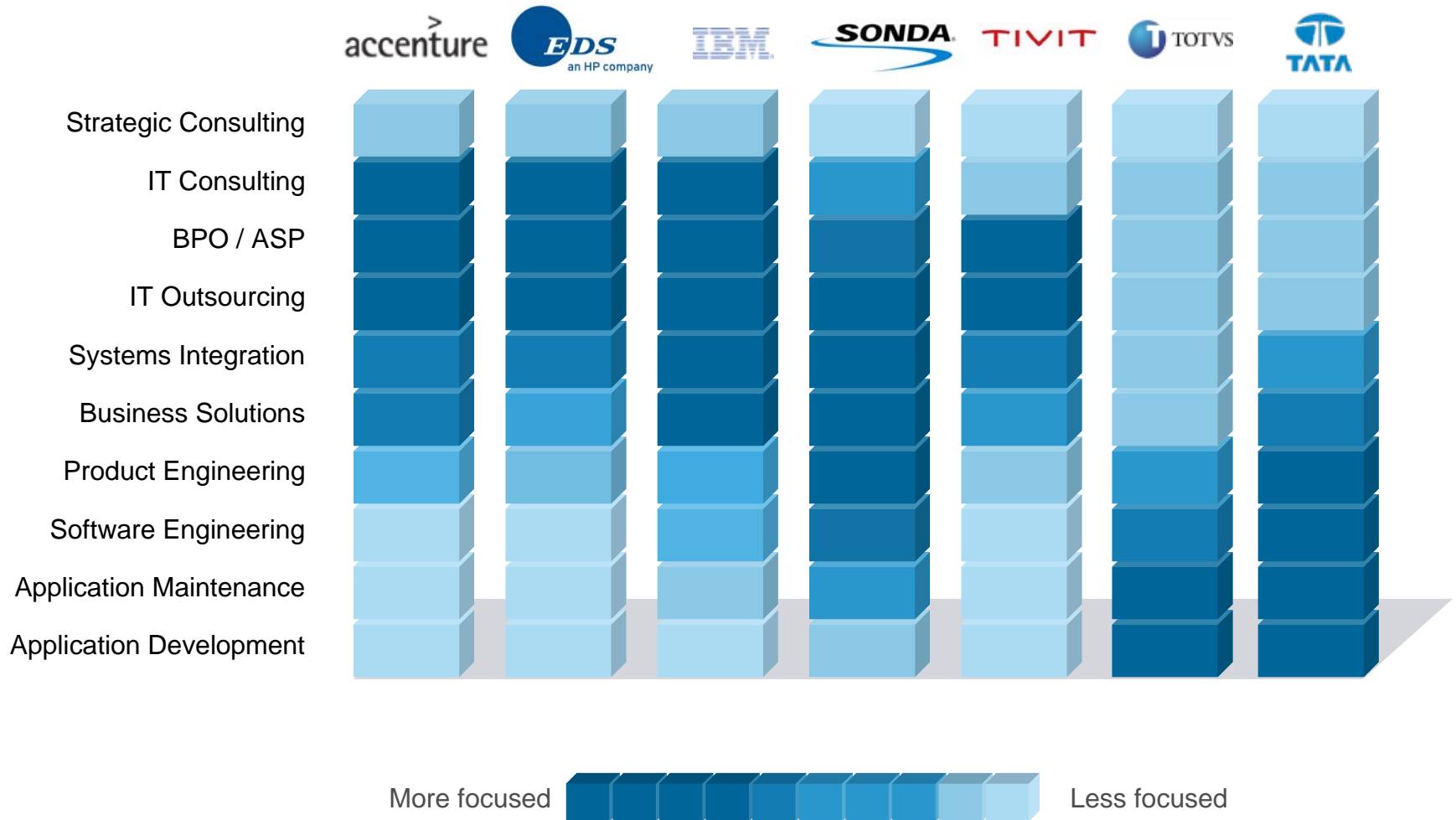
## Local vs. regional



- SONDA began its regional expansion in 1984 and today has the largest Latin American Regional IT Services network
- Recent attempts from local providers to expand across the region, especially Brazilian companies

# Competitive landscape IT Services spectrum

2011



# Solid track record

# 2011



**1974**

FOUNDATION OF SONDA IN ASSOCIATION WITH COPEC

**1975/1980**

REPRESENTATION OF DIGITAL EQUIPMENT CORP., A SUCCESSFUL AMERICAN MANUFACTURER IN THE 1980S (1978)

FIRST FULL OUTSOURCING SERVICES CONTRACT (NATIONAL SAVINGS AND LOANS ASSOCIATION)

**1986/1990**

INTERNATIONALIZATION PROCESS CONTINUES: ARGENTINA (1986) ECUADOR (1990)

APPLICATIONS FOR THE BANKING INDUSTRY

MONITORING OF ENVIRONMENTAL VARIABLES IN SANTIAGO

AUTOMATION OF HORSE-RACING BETTING

START OF BANKING PROJECTS IN LATIN AMERICAN COUNTRIES: BANDESCO

**1996/2000**

COLOMBIA (2000)

LAUNCHING OF ERP FIN700

MOBILE TELEPHONY PROJECTS IN BRAZIL AND PARAGUAY

OUTSOURCING SERVICE FOR TELEFÓNICA CTC CHILE

SOLUTIONS FOR HEALTH PROVIDERS

SAP PLATFORM SERVICE FOR CODELCO

AUTOMATION OF HOSPITALS IN ARGENTINA, COLOMBIA AND CHILE

**2006/2009**

STOCK EXCHANGE LISTING OF SONDA (NOVEMBER 3, 2006)

SONDA ACQUIRES TECHNICAL SUPPORT DIVISION IN MEXICO

ADJUDICATION COLOMBIA STATE PROCUREMENT SYSTEMS

CONTRACT WITH PETROBRAS

56.5% OF CONSOLIDATED REVENUES COME FROM OPERATIONS OUTSIDE CHILE

PENSION FUNDS SOLUTION (NIGERIA)

ACQUISITION OF RED COLOMBIA

START OF CONSTRUCTION OF NEW BUILDING IN BRAZIL



**1981/1985**

START OF INTERNATIONALIZATION: PERU (1984)

APPLICATIONS FOR AFPS (PENSION FUNDS) AND ISAPRES (HEALTH INSURANCE PROVIDERS)

FIRST LARGE SYSTEMS INTEGRATION PROJECT (AUTOMATION OF THE CIVIL REGISTRY)

FIRST ERP OF SONDA (SGS MANAGEMENT SYSTEM)

**1991/1995**

URUGUAY (1994) CHECK CLEARING PROCESSING SERVICES

PENSION FUND SOLUTIONS IN ARGENTINA AND PERU

TRAFFIC CONTROL IN SANTIAGO AND SÃO PAULO

BANKING PROJECTS IN INDONESIA, THAILAND AND TAIWAN

MOBILE TELEPHONY PROJECTS IN ARGENTINA

**2001/2005**

BRAZIL (2002) COSTA RICA (2003) MEXICO (2004)

ELECTRONIC HEALTH COUPONS ( I-MED )

WINERY SOLUTION (KUPAY)

NEW CHILEAN IDENTIFICATION SYSTEM (CIVIL REGISTRY)

PENSION FUNDS SOLUTION (BRAZIL)

CHILECOMPRA

OUTSOURCING FOR TAX COLLECTIONS (BRAZIL)

LIVESTOCK TRACEABILITY (URUGUAY)

HIGH-VALUE PAYMENTS CLEARING IN THE FINANCIAL INDUSTRY (COMBANC)

ACQUISITION OF BRAZILIAN COMPANY PROCWORK

ADJUDICATION AND IMPLEMENTATION OF LARGE-SCALE PROJECTS

OPERATIONS OUTSIDE CHILE BEGIN TO INCREASE THEIR RELATIVE SHARE OF CONSOLIDATED REVENUES, MAKING FOR A GREATER REGIONAL CONSOLIDATION

SONDA ENTERS THE CHILEAN SELECTED STOCK PRICE INDEX

SUCCESSFUL IMPLEMENTATION OF BIPI CARD, TRANSANTIAGO MEANS OF PAYMENT

SAP GLOBAL PINNACLE AWARD RECEIVED IN BRAZIL

40% OF CONSOLIDATED REVENUE AND 49% OF NEW BUSINESS ARE GENERATED IN BRAZIL



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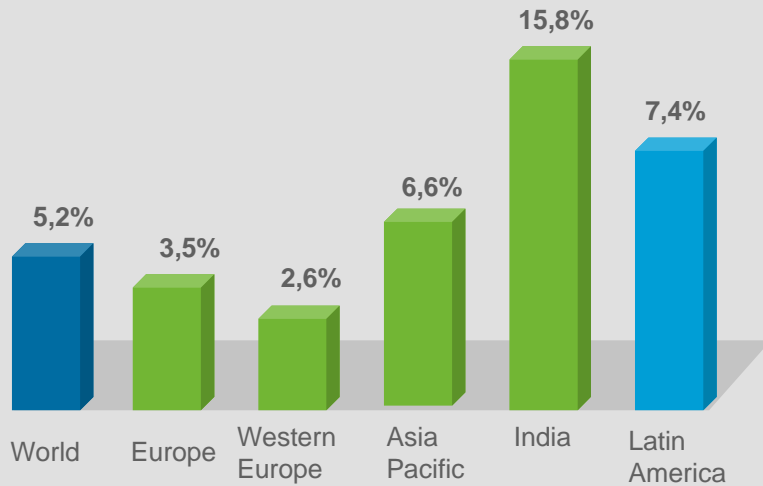
# Latin America, one of the fastest growing region in the world

2011



Latin America is the world's second fastest region in IT Investment growth

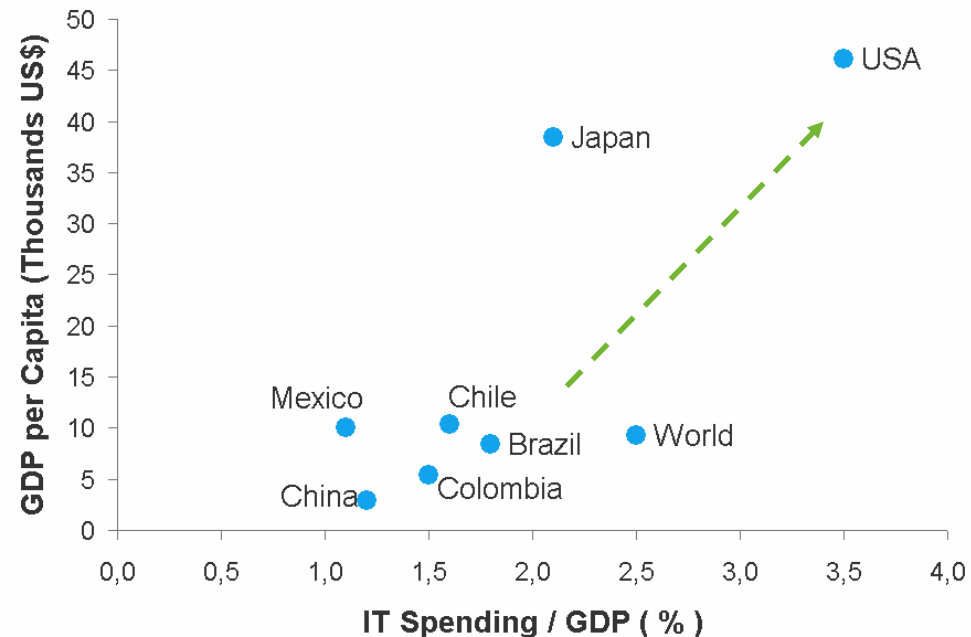
Growth in IT Investment, CAGR 2009-2014



Source: IDC

There is a significant gap in IT Investment as a percentage of GDP between developed economies and Latin American countries

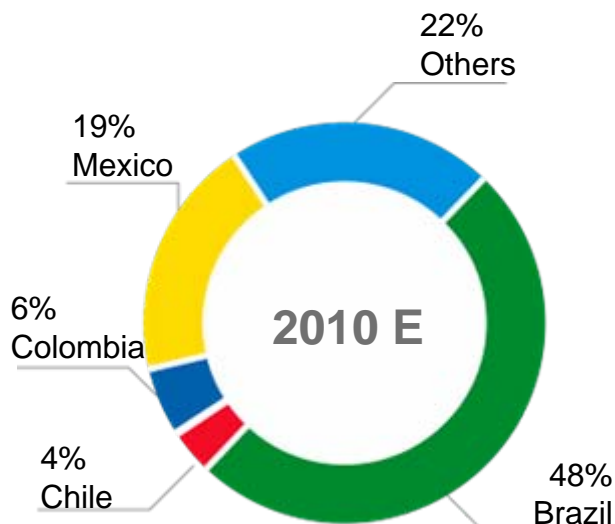
IT Spending as a percentage of GDP Year 2009



Source: IDC, World Bank, International Data Base IDB

# Latin America, one of the fastest growing region in the world

IT Investment Distribution - 2010 E

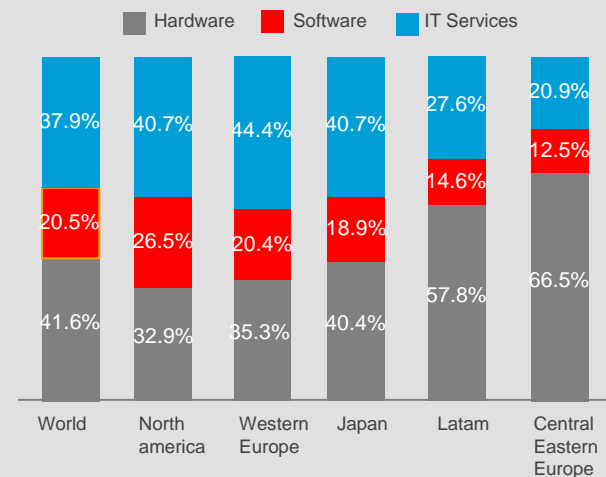
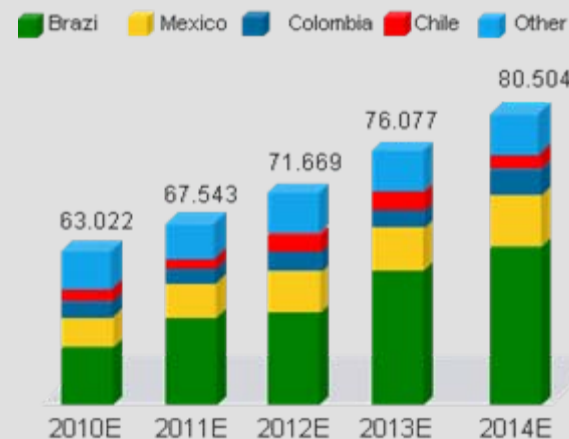


**+7.2%**  
Growth in 2011 E

- Hardware concentrates more than a half of total IT spending
- Investment in IT services is growing at rates above 10%
- Brazil leads the adoption of information technologies in the region

**54.9%**  
IT Services and Software investment in Brazil expected for 2014

Total IT Spending in Latam (US\$ Million)



Source: IDC

7.4%

LATIN AMERICA  
CAGR  
2009-2014

9.7%

BRAZIL  
CAGR  
2009-2014



6.7%

MEXICO  
CAGR  
2009-2014



7.1%

CHILE  
CAGR  
2009-2014



9.2%

COLOMBIA  
CAGR  
2009-2014





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Financial Performance

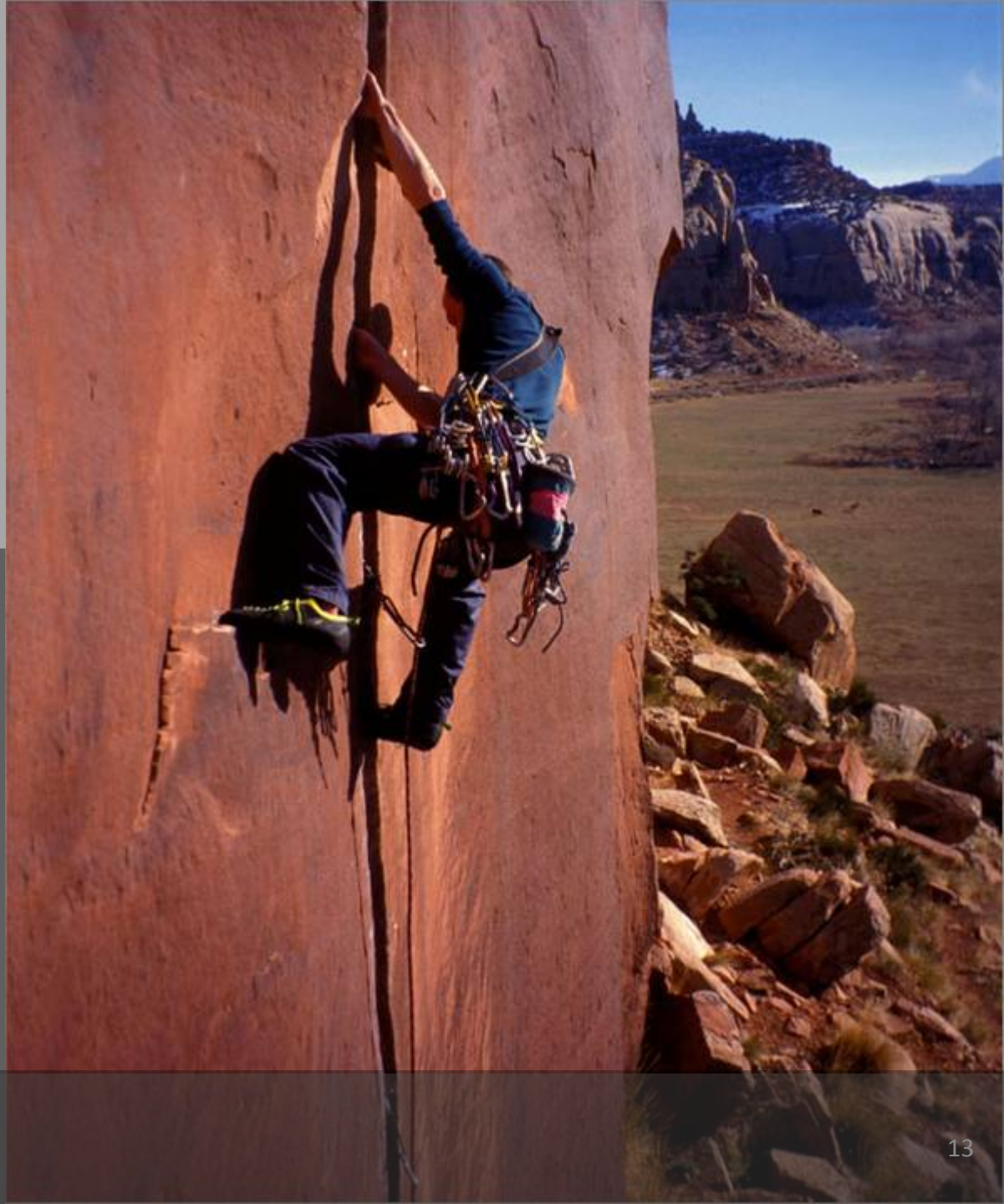
Strategic Plan

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CAPACITY to design technological solutions covering a wide range of business needs





**IT SERVICES**



**APPLICATIONS**



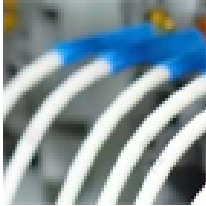
**PLATFORMS**



Solving business problems and needs through solutions based in IT usage



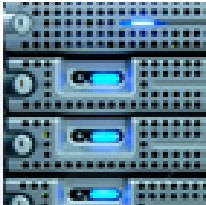
Comprehensive offering ranging from the delivery of infrastructure and support services to large-scale and complex systems integration projects and full IT outsourcing



**PROJECTS AND SYSTEMS  
INTEGRATION**



**PROFESSIONAL SERVICES**

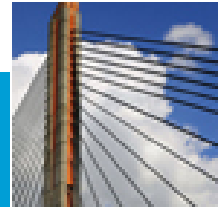


**DATACENTER**



**BUSINESS PROCESS  
OUTSOURCING**

**IT INFRASTRUCTURE  
SUPPORT**



**MANAGED SERVICES**

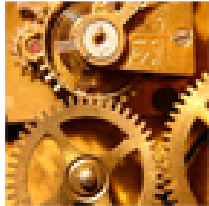


**IT OUTSOURCING**

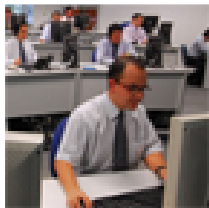




Services and solutions for different industries



**BUSINESS APPLICATIONS**

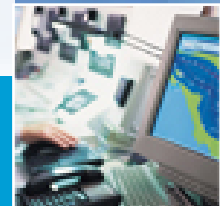


**APPLICATIONS DEVELOPMENT**

**APPLICATIONS OUTSOURCING**



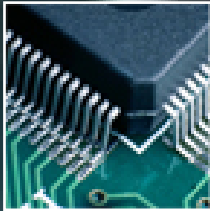
**IMPLEMENTATION AND SUPPORT**







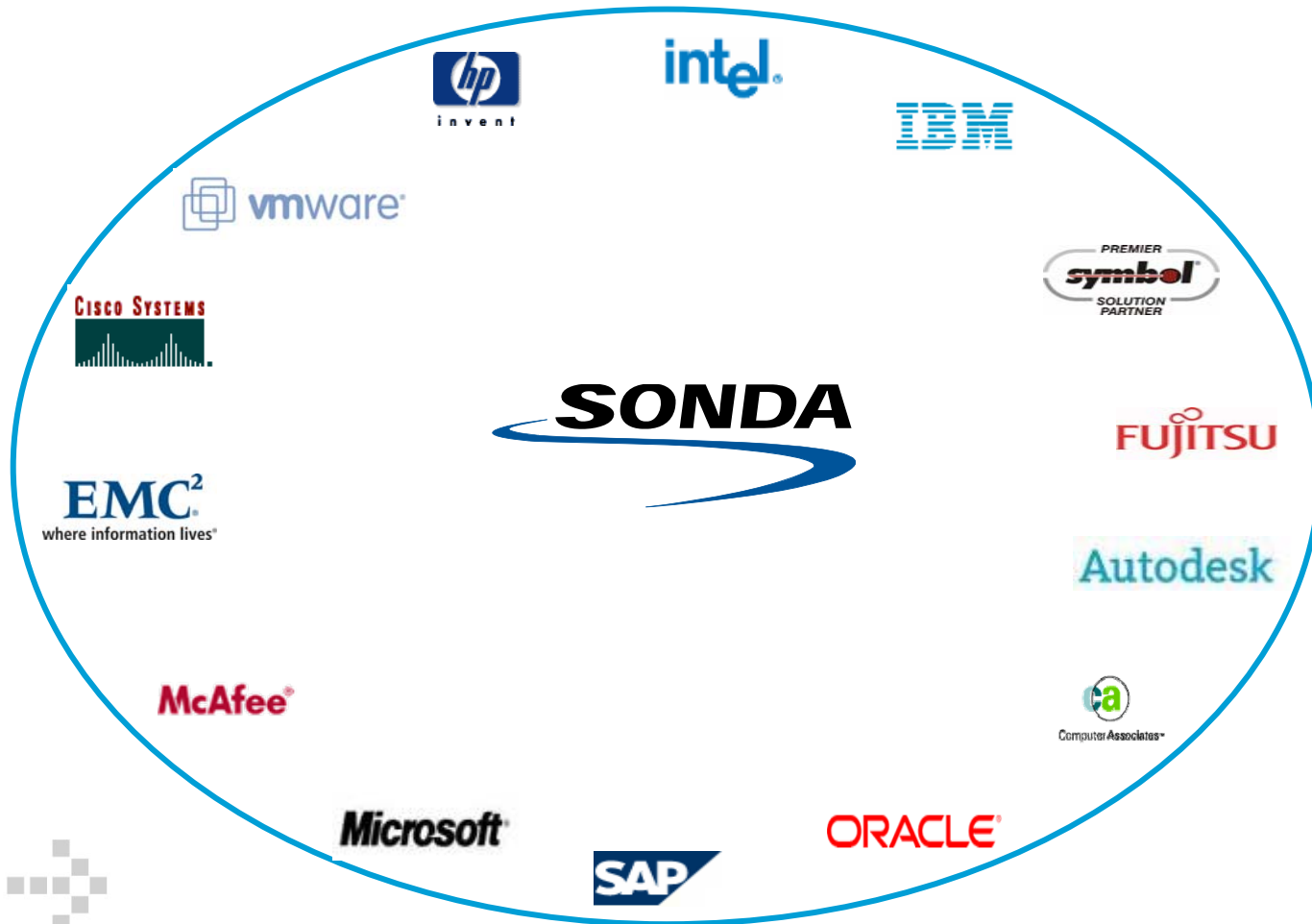
Products and solutions



**INFRASTRUCTURE**

**VALUE SOLUTIONS**







**Timely answers to  
customers'  
requests**



# Strong customer base

Manufacturing	Finance	Telecom	Retail
Health	Energy	Services & Utilities	Public Sector

Our customers are leading companies in their industries

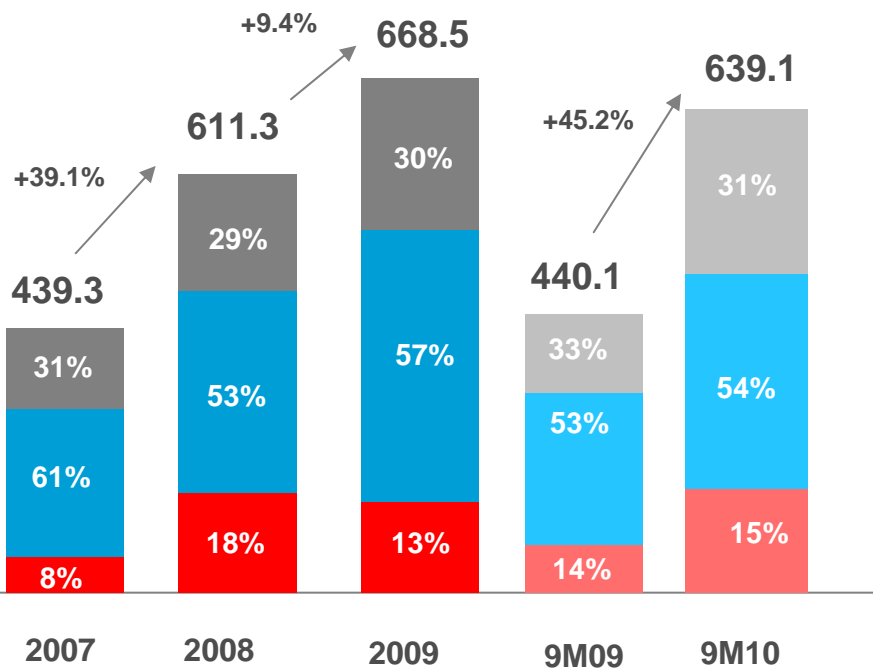
More than 5,000 throughout Latin America

# New contracts supporting a solid revenue base

2011



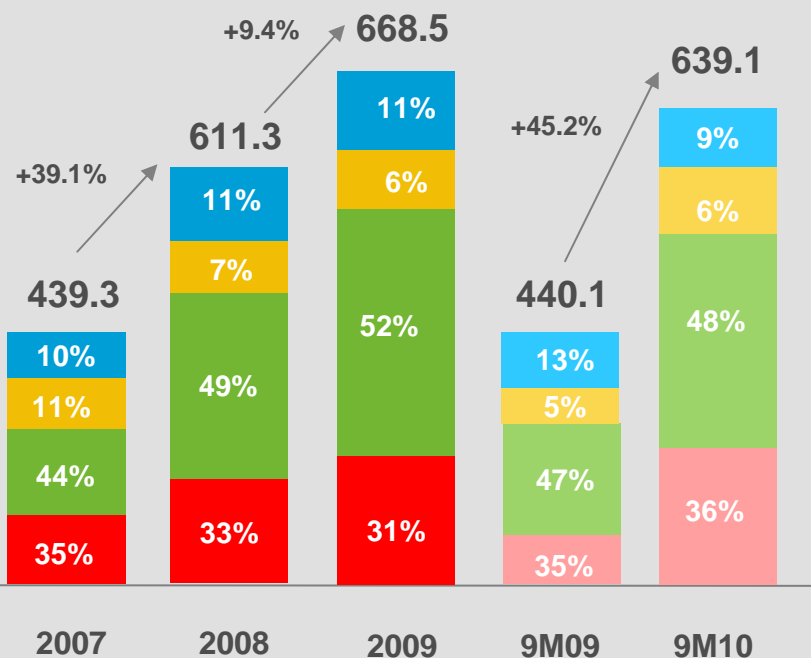
## Growth in new contracts



■ Platforms ■ IT Services ■ Applications

(US\$ million)

## New deals breakdown by region



■ Chile ■ Brazil ■ Mexico ■ OPLA

(US\$ million)





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Comprehensive Offering



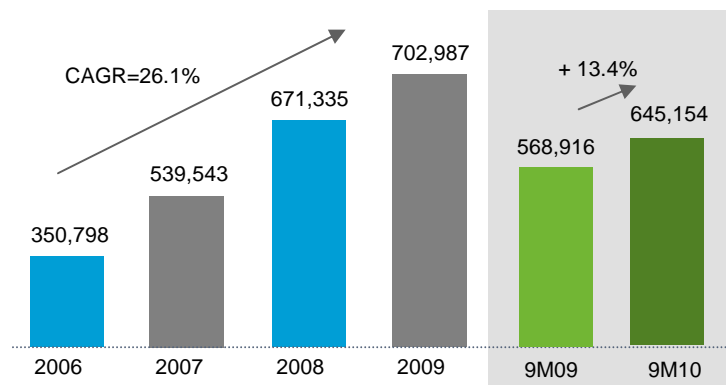
**Financial Performance**

Strategic Plan

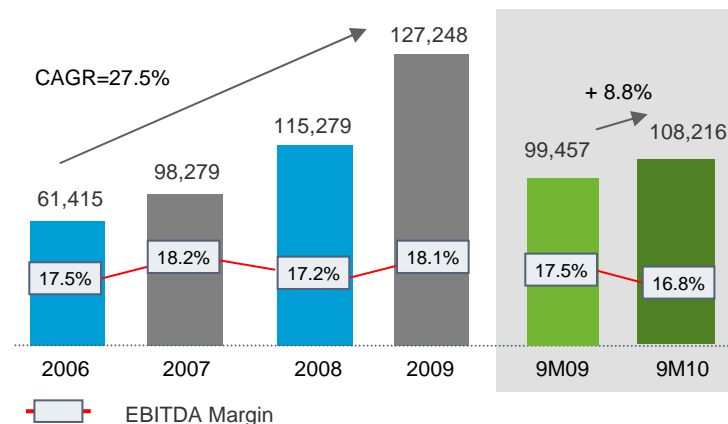
Conclusions



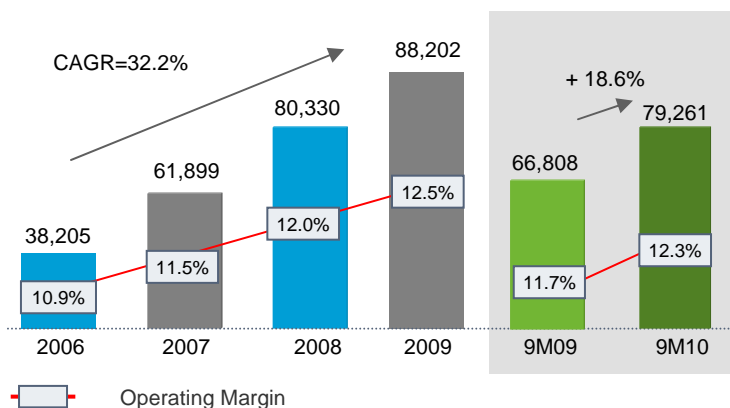
## Revenues (US\$ thousands)



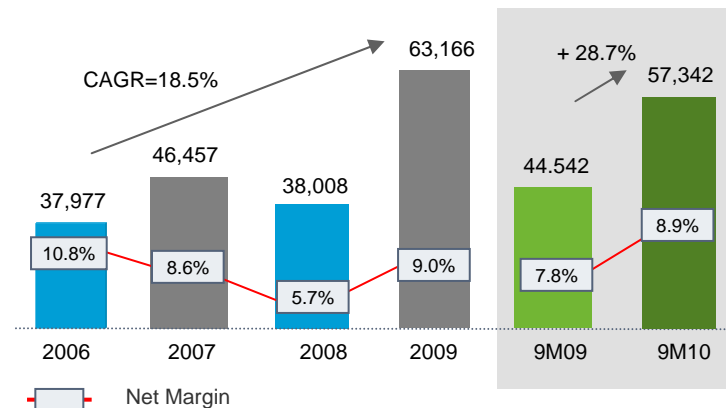
## EBITDA (US\$ thousands)



## Operating Income (US\$ thousands)



## Net Income (US\$ thousands)



### Notes:

- Annual figures under Chilean GAAP and converted from Chilean Pesos to US Dollars using the closing exchange rate of each year.
- Figures for 9M09 and 9M10 under IFRS and converted from Chilean Pesos to US Dollars using the month-end exchange rate as of Sep, 2010.

<b>FINANCIAL SUMMARY</b>						
(in ThUS\$)	2006	2007	2008	2009	9M09*	9M10*
<b>Income Statement</b>						
<b>Revenues</b>	<b>350,798</b>	<b>539,543</b>	<b>671,335</b>	<b>702,987</b>	<b>568,916</b>	<b>645,154</b>
Platforms	111,055	149,760	162,422	189,420	149,102	194,005
IT Services	210,438	340,073	429,112	415,406	335,228	371,974
Applications	29,304	49,709	79,801	98,162	84,586	79,176
Costs of sales	-277,109	-428,608	-523,410	-550,616	-448,393	-498,300
Administrative and selling expenses	-35,483	-49,036	-67,595	-64,168	-53,715	-67,593
<b>Operating income</b>	<b>38,205</b>	<b>61,899</b>	<b>80,330</b>	<b>88,202</b>	<b>66,808</b>	<b>79,261</b>
<b>EBITDA</b>	<b>61,415</b>	<b>98,279</b>	<b>115,279</b>	<b>127,248</b>	<b>99,457</b>	<b>108,216</b>
Net Income	37,977	46,457	38,008	63,166	44,542	57,342
<b>Balance Sheet</b>						
	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>9M09*</b>	<b>9M10*</b>
Cash & equivalents	153,161	121,952	67,971	250,171	95,251	44,682
Financial Investments	0	0	0	0	38	129,992
Current Assets	367,800	351,115	288,249	507,505	374,205	545,327
<b>Total Assets</b>	<b>578,130</b>	<b>694,866</b>	<b>597,614</b>	<b>824,204</b>	<b>773,667</b>	<b>1,048,067</b>
Financial Debt	96,096	82,537	53,568	38,851	48,084	46,048
Corporate Bonds	0	0	0	123,898	0	130,642
<b>Total Shareholders' Equity</b>	<b>405,618</b>	<b>478,128</b>	<b>437,323</b>	<b>527,924</b>	<b>556,268</b>	<b>604,724</b>
<b>Financial Ratios</b>						
	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>9M09*</b>	<b>9M10*</b>
Gross Margin (%)	21.0%	20.6%	22.0%	21.7%	21.2%	22.8%
Operating Margin (%)	10.9%	11.5%	12.0%	12.5%	11.7%	12.3%
EBITDA Margin (%)	17.5%	18.2%	17.2%	18.1%	17.5%	16.8%
Net Margin (%)	10.8%	8.6%	5.7%	9.0%	7.8%	8.9%
Financial Leverage (times)	0.24x	0.17x	0.12x	0.31x	0.09x	0.29x
ROE (%)	12.9%	9.7%	8.9%	11.7%	16.0%	19.0%

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- Regional leader in systems integration, IT services and solutions
- Independent provider with an integrated approach, with world-class credentials and certifications, focused on corporate market
- Experienced integrator with recognized capabilities in large scale projects with social and economic impact
- Service model based on developing long term relationships, closeness and constant contact with clients
- Positive financial results as a consequence of a successful regional expansion, increased revenues with high value-added and strength of recurring revenues



## Total investment of US\$ 500 million to finance:

- Implementation of new systems integration projects in Latin America
- Strengthening the positioning in Brazil, expanding territorial coverage and taking advantage of the new cycle of economic expansion
- New acquisitions in Brazil, Mexico, Colombia and other countries with potential
- Developing high value-added business lines throughout the region



US\$1,574  
billion  
GDP 2009



- BRAZIL, world's 5th largest country and 8th largest in terms of GDP in year 2009 (US\$1,574 billion), with a population of 192 million.
- Well diversified economy combining the production of raw materials and value added products
- IT spending in 2009 reached US\$ 28,121 million, equivalent to a 1.8% of GDP.

US\$875  
billion  
GDP 2009



- MEXICO, 2nd largest economy in LatAm and 14th in the world according to 2009 GDP, with a population of 107 million.
- Homeland to large regional companies and regional base to multinationals with operations throughout Latin America.
- IT spending in 2009 reached US\$ 11,529 million, equivalent to a 1.3% of GDP.

US\$229  
billion  
GDP 2009



- COLOMBIA, 5th largest economy in LatAm, with a population of 45 million and growing at a 5.5% CAGR since 2002.
- Important and varied export industry, and nearly 53% of it economic activity is linked to services.
- IT spending in 2009 reached US\$ 3,697 million, equivalent to a 1.6% of GDP.

### Five acquisitions in 2010:

- **Telsinc (Br)**
- **Softeam (Br)**
- **Kaizen (Br)**
- **NextiraOne (Mx)**
- **Ceitech (Ar)**

- New acquisitions had revenues of US\$ 165 million in 2009
- Acquisitions represent over 20% of consolidated revenues in 2009
- Expanding geographical coverage in the main Latin American IT market
- New acquisitions expand and enhance SONDA IT offering



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**Conclusions**





- The **leading Latin American** IT services company
- 36 years of **consistent profitability**
- Present in markets with **high growth potential**
- **#1 in high value-added segments**
- Diversified **blue chip customer base**
- **High percentage of recurring revenue**
- Strong **investment plan** to continue consolidating regional position
- **Excellent opportunity** to invest in the IT industry of Latin America



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