



EARNINGS RELEASE

SONDA S.A.

December 2013

Earnings Release

January 01, 2013 – December 31, 2013

SUMMARY: 2013-4Q13

- ❖ Consolidated Revenues:
US\$1,281.5 million
- ❖ Operating Income:
US\$159.8 million
- ❖ EBITDA:
US\$217.4 million
- ❖ Net Income:
US\$126.6 million
- ❖ EBITDA Margin:
17.0%
- ❖ Net Margin:
9.9%

SONDA S.A. (Santiago Stock Exchange: SONDA), the leading Latin American owned private-sector IT Services provider, announces its consolidated financial results for 2013. 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 December 31, 2013 (1 US\$ = 524.61 Chilean Pesos).

1. EXECUTIVE SUMMARY

SONDA had consolidated revenues for \$672.287 million (US\$1,281.5 million) in 2013, showing a decrease of 1.3% YoY. Operating income decreased by 2.0%, to \$83,834 million (US\$159.8 million) and EBITDA reached \$114,047 million (US\$217.4 million) lower by 2.8% than 2012. Net income totaled \$66,431 million (US\$126.6 million), an increase of 46.7% when compared to 2012. EBITDA margin was 17.0%.

Regional results:

Region	Revenues		EBITDA	
	Ch\$M	Δ Y/Y	Ch\$M	Δ Y/Y
Chile	296,549	-3.1%	58,126	-12.2%
Brazil	217,552	-5.4%	27,758	-11.0%
Mexico	68,052	+12.0%	10,883	+13.6%
OPLA	90,134	+6.6%	17,279	+66.9%
Total	672,287	-1.3%	114,047	-2.8%

ROE reached 15.4%, current ratio (1.9 x), leverage financial ratio (0.2 x) and financial-expenses-coverage ratio (15.8 x) all reflecting a sound financial position of the Company.

Highlights:

- ❖ Devaluation of Latam currencies against the Chilean Peso had a negative effect on the translation of the foreign subsidiaries income statements from functional to reporting currency. Indeed, excluding this effect, consolidated revenues for 2013 would have reached US\$1,316.0 million growing by 1.4% YoY, while EBITDA would have reached US\$221.5 million.

- ❖ Operations outside Chile generated revenues for \$375,738 million (US\$716.2 million), contributing 55.9% of consolidated revenues. Exchange rate fluctuations also had an effect on the combined results of operations outside Chile, where revenues were up by 0.2%; without this effect, revenues would have increased by 5.5% YoY.

- ❖ For operations outside of Chile, operating income reached \$37,280 million (US\$71.1 million) and EBITDA totaled \$55,920 million (US\$106.6 million) growing by 5.3% and 9.4% respectively YoY. EBITDA margin was 14.9% in 2013, up 130bp, when compared to 2012. Without translation effects, EBITDA would have grown by 13.8%.

- ❖ Revenues in Brazil totaled \$217,552 million (US\$414.7 million) decreasing by 5.4% YoY, EBITDA reached \$27,758 million (US\$52.9 million) lower by 11.0% YoY. Without translation effects, revenues in Brazil would have grown by 2.8% and EBITDA would have decreased by 4.0% for 2013.

- ❖ In Mexico, revenues and EBITDA reached \$68,052 million (US\$129.7) and \$10,883 million (US\$20.7) growing by 12.0% and 13.6%, respectively.

- ❖ OPLA reached \$90,134 million (US\$171.8 million) in revenues, increasing by 6.6%, and EBITDA was up by 66.9% YoY. EBITDA margin reached 19.2%, 700bp higher than last year.

- ❖ Net income attributable to the owners of the company was \$66,431 million (US\$126.6 million), reflecting an increase of 46.7% YoY.

- ❖ New business closed during 2013 reached US\$1,247.7 million, decreasing by 1.4% YoY.

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Figure 1 – Consolidated Financial Statements

Consolidated Financial Statements
SONDA S.A.

Millions of Ch\$ (Ch\$M)				
Income Statement	Dec-12	Dec-13	Δ \$	Δ %
Revenues	681,192	672,287	(8,904)	-1.3%
Cost of Sales	(534,629)	(530,195)	4,434	-0.8%
Gross Profit	146,563	142,092	(4,471)	-3.1%
Administration Expenses	(61,007)	(58,258)	2,749	-4.5%
Operating Income ⁽¹⁾	85,556	83,834	(1,722)	-2.0%
Depreciation and Amortization	31,792	30,212	(1,580)	-5.0%
EBITDA ⁽²⁾	117,348	114,047	(3,301)	-2.8%
Other Income	1,813	13,766	11,953	659.3%
Other Expenses	(11,699)	(10,232)	1,466	-12.5%
Profit (Loss) From Operating Activities	75,670	87,368	11,698	15.5%
Financial Income	3,181	7,565	4,385	137.9%
Financial Expenses	(10,785)	(7,208)	3,577	-33.2%
Share of Profit (Loss) of Associates	644	371	(273)	-42.4%
Foreign Exchange Differences	111	1,497	1,385	1243.0%
Income (Loss) for Indexed Assets and Liabilities	(825)	(644)	181	-21.9%
Net Income Before Taxes	67,996	88,948	20,953	30.8%
Income Tax Expense	(19,370)	(19,214)	156	-0.8%
Net Income from Continuing Operations	48,626	69,735	21,109	43.4%
Net Income Attributable to Minority Interest	3,350	3,304	(46)	-1.4%
Net Income Attributable to Owners of the Company	45,276	66,431	21,155	46.7%
Balance Sheet	Dec-12	Dec-13	Δ \$	Δ %
Cash and Cash Equivalents	61,310	170,861	109,551	178.7%
Other Current Financial Assets	6,595	7,046	451	6.8%
Trade Accounts Receivable and Other Receivables, Net	158,699	139,943	(18,756)	-11.8%
Accounts Receivable from Related Companies	14,623	5,344	(9,278)	-63.5%
Inventories	28,036	32,401	4,365	15.6%
Other Current Assets	34,706	37,846	3,141	9.0%
Current Assets	303,968	393,441	89,474	29.4%
Intangibles Assets and Goodwill	235,879	221,217	(14,662)	-6.2%
Property, Plant and Equipment, Net	89,113	91,242	2,129	2.4%
Other Non-currents Assets	64,549	38,030	(26,520)	-41.1%
Non-current Assets	389,542	350,488	(39,053)	-10.0%
Assets	693,509	743,930	50,420	7.3%
Other Current Financial Liabilities	21,709	52,764	31,055	143.0%
Other Liabilities	146,382	152,259	5,877	4.0%
Current Liabilities	168,091	205,023	36,932	22.0%
Other Non-current Financial Liabilities	83,814	41,352	(42,462)	-50.7%
Other Liabilities, Non-Current	43,096	22,182	(20,914)	-48.5%
Non-current Liabilities	126,910	63,535	(63,376)	-49.9%
Liabilities	295,001	268,557	(26,444)	-9.0%
Minority Interest	4,737	5,347	610	12.9%
Total Shareholders' Equity Attributable to Owners of the Company	393,771	470,025	76,254	19.4%
Total Liabilities and Shareholders' Equity	693,509	743,930	50,420	7.3%

⁽¹⁾ Operating Income = Gross Profit – Administration Expenses

⁽²⁾ EBITDA = Operating Income + Depreciation and Amortization

MANAGEMENT DISCUSSION AND ANALYSIS ON 2013 AND 4Q13 CONSOLIDATED RESULTS

I. Consolidated Results for 2013

Revenues

Consolidated revenues reached \$672,287 million (US\$1,281.5 million) for 2013, lower by 1.3% YoY (\$8,904 million / US\$17.0 million).

Devaluation of Latam currencies against the Chilean Peso had a negative effect on the translation of the foreign subsidiaries income statements from functional to reporting currency. Indeed, excluding this effect, consolidated revenues for 2013 would have reached US\$1,316.0 million growing by 1.4% YoY.

Main variations in the period were the following:

- ❖ Decrease of 1.2% (\$4,229 million / US\$8.1 million) in revenues from the IT Services business, totaling \$355,203 million (US\$677.1 million), as a result of lower revenues from Chilean and Brazilian operations. Excluding the effect of exchange rate fluctuations, consolidated IT Services revenues would have grown by 2.6% YoY.
- ❖ Application business revenues declined by 6.2% (\$3,464 million / -US\$6.6 million), to \$52,398 million (US\$99.9 million), mainly due to lower revenues from the Brazilian operations. Excluding the effect of exchange rate fluctuations, consolidated Application business revenues would have decreased by 0.9% YoY.
- ❖ Decrease of 0.5% (\$1,211 million / US\$2.3 million) in the Platforms business, reaching \$264,686 million (US\$504.5 million). Excluding the effect of exchange rate fluctuations, revenues would have grown by 0.2% YoY.

Regarding the revenue breakdown by business line, IT Services contributed 52.8% of consolidated revenues, Applications 7.8% and Platforms the remaining 39.4%.

Figure 2 – Consolidated Revenues by Business Line

Consolidated Revenues by Business Line	Dec-12	Dec-13	Δ \$	Δ %
	Ch\$M	Ch\$M		
Platforms	265,896	264,686	(1,211)	-0.5%
IT Services	359,432	355,203	(4,229)	-1.2%
Applications	55,863	52,398	(3,464)	-6.2%
Total	681,192	672,287	(8,904)	-1.3%
Breakdown				
Platforms	39.0%	39.4%		
IT Services	52.8%	52.8%		
Applications	8.2%	7.8%		
Total	100.0%	100.0%		

Cost of Sales and Selling, General and Administrative Expenses

Cost of sales totaled \$530,195 million (US\$1,010.6 million) for 2013, showing a decrease of 0.8% YoY, in line with the decrease in revenues.

Administration expenses reached \$58,258 million (US\$111.1 million), 4.5% lower than last year, reflecting synergies achieved after the integration of acquired companies.

Figure 3 – Income Statement

Summary of Consolidated Income Statement	Dec-12	Dec-13	Δ \$	Δ %
	Ch\$M	Ch\$M		
Revenues	681,192	672,287	(8,904)	-1.3%
Cost of Sales	(534,629)	(530,195)	4,434	-0.8%
Gross Profit	146,563	142,092	(4,471)	-3.1%
Administration Expenses	(61,007)	(58,258)	2,749	-4.5%
Operating Income ⁽¹⁾	85,556	83,834	(1,721)	-2.0%
EBITDA ⁽²⁾	117,348	114,047	(3,301)	-2.8%
Net Income Attributable to Owners	45,276	66,431	21,155	46.7%
Financial Ratios				
Gross Margin	21.5%	21.1%		
Operating Margin	12.6%	12.5%		
EBITDA Margin	17.2%	17.0%		
Net Margin	6.6%	9.9%		

⁽¹⁾ Operating Income: Gross Profit – Administration Expenses

⁽²⁾ EBITDA: Operating Income + Depreciation and Amortization

Operating Income and Ebitda

Operating income amounted to \$83,834 million (US\$159.8 million), decreasing 2.0% YoY. Gross margin as a percentage of revenues totaled 21.1% and operating margin was 12.5%, decreasing by 40bp and 10bp, respectively.

EBITDA totaled \$114,047 million (US\$217.4 million) decreasing by 2.8% YoY, while EBITDA margin reached 17.0%, decreasing by 20bp compared to last year.

Devaluation of LatAm currencies against the Chilean Peso negatively affected the translation of the results to the reporting currency, and thus, operating income and EBITDA. Excluding the effect of exchange rate fluctuations, operating income would have reached US\$162.4 million, decreasing by 0.4% YoY, and EBITDA would have reached US\$221.5 million, decreasing by 1.0% YoY.

Other Comprehensive Income (Excluding Administration Expenses)

Total other comprehensive income, excluding administration expenses, moved from a loss of \$17,560 million (US\$33.5 million) in 2012, to a positive \$5,114 million (US\$9.7 million) result in 2013. This was mainly due to an increase in other income (\$11,953 million / US\$22.8 million) caused by the sale of a minority stake in the non-controlled associate Payroll, which generated a post-tax gain of \$4,559 million (US\$8.7 million), along with a partial reversal of payables provisions related to the acquisition of companies. In addition, financial income increased by \$4,385 million (US\$8.4 million), financial expenses decreased by \$3,577 million (US\$6.8 million) and there were foreign exchange gains for \$1,385 million (US\$2.6 million).

Net Income

Net income attributable to the owners of the company, totaled \$66,431 million (US\$126.6 million) in 2013, reflecting an increase of 46.7% YoY. Without the one-time effect mentioned above regarding other income, net income attributable to the owners of the company would have grown by 21.2% compared to last year.

II. Consolidated Results for the Fourth Quarter of 2013 (4Q13)

Revenues

Consolidated revenues reached \$181,371 million (US\$345.7 million) in 4Q13, down 1.3% YoY.

During 4Q13, the devaluation of Chilean Peso against US Dollar had a positive effect in the translation of Income Statements from subsidiaries whose functional currency is the US dollar. The latter was partially offset by a moderate devaluation of Latam currencies against Chilean Peso. Excluding these effects, consolidated revenues would have reached US\$340.6 million decreasing by 2.8% YoY.

Main variations in the period were the following:

- ❖ Lower revenues from IT Services business (-7.7% YoY), totaling \$86,529 million (US\$164.9 million), driven by 12.2% decrease in IT management support (\$3,073 million / US\$5.9 million), to \$22,222 million (US\$42.4 million). Excluding the effect of exchange rate fluctuations, consolidated IT Services revenues would have decreased by 7.4% YoY.
- ❖ Applications business with total revenues down 8.3% YoY (-\$1,179 million / -US\$2.2 million), totaling \$13,058 million (US\$24.9 million), due to a decrease in licenses sales by 36.2% (-\$1,005 million / US\$1.9 million), totaling \$1,772 million (US\$3.4 million). Excluding the effect of exchange rate fluctuations, consolidated Application business revenues would have decreased by 7.5% YoY.
- ❖ Platforms business revenues were up by 7.9% YoY (\$5,973 million / US\$11.4 million) reaching \$81,784 million (US\$155.9 million), principally as a result of 11.2% higher sales of HW Platforms (\$6,213 million / US\$11.8 million), reaching \$61,781 million (US\$117.8 million). Excluding the effect of exchange rate fluctuations, consolidated Platforms business revenues would have grown by 3.9% YoY.

In terms of revenue breakdown by business line, IT Services contributed 47.7% of consolidated revenues during the fourth quarter of 2013, while Applications and Platforms represented 7.2% and 45.1% respectively.

Figure 4 – Consolidated Revenues by Business Line

Consolidated Revenues by Business Line	4Q12	4Q13	Δ \$	Δ %
	Ch\$M	Ch\$M		
Platforms	75,811	81,784	5,973	7.9%
IT Services	93,723	86,529	(7,194)	-7.7%
Applications	14,236	13,058	(1,179)	-8.3%
Total	183,770	181,371	(2,400)	-1.3%
Breakdown				
Platforms	41.3%	45.1%		
IT Services	51.0%	47.7%		
Applications	7.8%	7.2%		
Total	100.0%	100.0%		

Cost of Sales and Selling, General and Administration Expenses

Cost of sales amounted \$143,916 million (US\$274.3 million) for 4Q13, up 0.6% YoY.

Administration expenses totaled \$14,666 million (US\$28.0 million), decreasing by 7.7% YoY.

Operating Income and EBITDA

Operating income reached \$22,789 million (US\$43.4 million / -8.3% YoY). Gross margin as a percentage of revenues reached 20.7%, while operating margin was 12.6%.

EBITDA amounted to \$30,592 million (US\$58.3 million / -9.3% YoY) for 4Q13 and the EBITDA margin reached 16.9% for the period.

Figure 5 – Income Statement

Summary of Consolidated Income Statement	4Q12	4Q13	Δ \$	Δ %
	Ch\$M	Ch\$M		
Revenues	183,770	181,371	(2,400)	-1.3%
Cost of Sales	(143,037)	(143,916)	(879)	0.6%
Gross Profit	40,733	37,455	(3,278)	-8.0%
Administration Expenses	(15,893)	(14,666)	1,227	-7.7%
Operating Income ⁽¹⁾	24,840	22,789	(2,051)	-8.3%
EBITDA ⁽²⁾	33,714	30,592	(3,122)	-9.3%
Net Income Attributable to Owners	12,458	22,003	9,545	76.6%
Financial Ratios				
Gross Margin	22.2%	20.7%		
Operating Margin	13.5%	12.6%		
EBITDA Margin	18.3%	16.9%		
Net Margin	6.8%	12.1%		

⁽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 \$5,288 million (US\$9.1 million) in 4Q12 to a profit of \$4,614 million (US\$8.8 million) in 4Q13. This positive change was partially due to an increase in Other Income (\$6,705 million / US\$12.2 million) after a partial reversal of payables provisions related to the acquisition of companies.

Net Income

Net income attributable to the owners of the company, totaled \$22,003 million (US\$41.9 million) in 2013, reflecting an increase of 76.6% YoY. Without the one-time effect mentioned above regarding other income, net income attributable to the owners of the company would have grown by 20.3% compared to last year.

III. Regional Results for 2013 and the fourth quarter of 2013 (4Q13)

Chile

Main changes in Chile between 2012 and 2013 are described below:

- ❖ Revenues of \$296,549 million (US\$565.3 million) decreased by 3.1% YoY as a result of extraordinary effects in outsourcing projects during 2012, which did not occur in 2013, and due to the end of the project with Registro Civil during 2013.
- ❖ Operating income reached \$46,554 million (US\$88.7 million / -7.2% YoY) and EBITDA \$58,126 million (US\$110.8 million / -12.2% YoY)
- ❖ Operating margin reached 15.7%, 70bp lower than 2012.

Figure 6 – Business in Chile
2012 – 2013

Summary of Results Chile	Dec-12	Dec-13	Δ \$	Δ %
	Ch\$M	Ch\$M		
Revenues	306,039	296,549	(9,490)	-3.1%
Platforms	148,541	152,612	4,071	2.7%
IT Services	143,943	131,053	(12,890)	-9.0%
Applications	13,556	12,884	(671)	-5.0%
Cost of Sales	(228,793)	(222,642)	6,151	-2.7%
Gross Profit	77,246	73,907	(3,339)	-4.3%
Administration Expenses	(27,093)	(27,353)	(261)	1.0%
Operating Income ⁽¹⁾	50,154	46,554	(3,599)	-7.2%
EBITDA ⁽²⁾	66,227	58,126	(8,101)	-12.2%
Operating Margin	16.4%	15.7%		
EBITDA Margin	21.6%	19.6%		

Main changes in Chile between 4Q12 and 4Q13 are described below:

- ❖ \$77,909 million (US\$148.5 million / -6.6% YoY) in revenues for 4Q13. The decrease was driven by: IT Services (-19.7% YoY) and Applications (-12.5% YoY), partially offset by Platforms (+6.1%)
- ❖ Operating income of \$11,759 million (US\$22.4 million), decreasing 25.4% YoY,
- ❖ EBITDA totaled \$14,538 million (US\$27.7 million), down by 26.2%, and EBITDA margin down to 18.7%, compared with 23.6% in 4Q12.

Figure 7 – Business in Chile
4Q12 – 4Q13

Summary of Results Chile	4Q12	4Q13	Δ \$	Δ %
	Ch\$M	Ch\$M		
Revenues	83,410	77,909	(5,501)	-6.6%
Platforms	41,256	43,774	2,518	6.1%
IT Services	38,135	30,619	(7,515)	-19.7%
Applications	4,019	3,515	(504)	-12.5%
Cost of Sales	(60,469)	(58,751)	1,718	-2.8%
Gross Profit	22,941	19,158	(3,783)	-16.5%
Administration Expenses	(7,169)	(7,399)	(229)	3.2%
Operating Income ⁽¹⁾	15,771	11,759	(4,012)	-25.4%
EBITDA ⁽²⁾	19,695	14,538	(5,156)	-26.2%
Operating Margin	18.9%	15.1%		
EBITDA Margin	23.6%	18.7%		

⁽¹⁾ Operating Income: Gross Profit – Administration Expenses

⁽²⁾ EBITDA: Operating Income + Depreciation and Amortization

Brazil

Main changes in Brazil between 2012 and 2013 are described below:

- ❖ Revenues totaling \$217,552 million (US\$414.7 million), down 5.4% YoY mainly due to translation effects. Without this, revenues in Brazil would have grown by 2.8%. IT Services revenues decreased by 5.5% YoY, which, without the translation effects, would have grown by 2.8%.
- ❖ Operating income reached \$19,603 million (US\$37.4 million / -19.2% YoY), and EBITDA totaled \$27,758 million (US\$52.9 million / -11.0%). Without translation effects, operating income and EBITDA would have decreased by 13.0% and 4.0% YoY, respectively.
- ❖ Operating margin and EBITDA margins were 9.0% and 12.8%, respectively.

Figure 8 – Business in Brazil
2012 – 2013

Summary of Results Brazil	Dec-12	Dec-13	Δ \$	Δ %
	Ch\$M	Ch\$M		
Revenues	229,865	217,552	(12,313)	-5.4%
Platforms	54,390	52,033	(2,357)	-4.3%
IT Services	139,976	132,214	(7,762)	-5.5%
Applications	35,499	33,305	(2,194)	-6.2%
Cost of Sales	(187,299)	(181,656)	5,643	-3.0%
Gross Profit	42,566	35,896	(6,670)	-15.7%
Administration Expenses	(18,310)	(16,293)	2,016	-11.0%
Operating Income ⁽¹⁾	24,256	19,603	(4,654)	-19.2%
EBITDA ⁽²⁾	31,188	27,758	(3,430)	-11.0%
<i>Operating Margin</i>	<i>10.6%</i>	<i>9.0%</i>		
<i>EBITDA Margin</i>	<i>13.6%</i>	<i>12.8%</i>		

Main changes in Brazil between 4Q12 and 4Q13 are described below:

- ❖ Revenues reached \$55,291 million (US\$105.4 million), decreasing 8.1% YoY. IT Services business went down by 6.7%, Applications business revenues fell by 5.2% and Platforms business also decreased by 12.2% YoY. Without translation effects, revenues in Brazil would have decreased by 6.1%.
- ❖ Operating income and EBITDA reached \$5,616 million (US\$10.7 million) and \$7,703 million (US\$14.7 million), decreasing by 11.7% and 16.7% YoY, respectively. Without translation effects, EBITDA in Brazil would have decreased by 15.1%.
- ❖ Operating margin decreased from 10.6% in 4Q12 to 10.2% in 4Q13, while the EBITDA margin decreased from 15.4% in 4Q12 to 13.9% in 4Q13.

Figure 9 – Business in Brazil
4Q12 – 4Q13

Summary of Results Brazil	4Q12	4Q13	Δ \$	Δ %
	Ch\$M	Ch\$M		
Revenues	60,136	55,291	(4,845)	-8.1%
Platforms	17,252	15,142	(2,111)	-12.2%
IT Services	34,386	32,092	(2,294)	-6.7%
Applications	8,497	8,057	(440)	-5.2%
Cost of Sales	(49,541)	(46,358)	3,183	-6.4%
Gross Profit	10,594	8,932	(1,662)	-15.7%
Administration Expenses	(4,235)	(3,316)	919	-21.7%
Operating Income ⁽¹⁾	6,360	5,616	(744)	-11.7%
EBITDA ⁽²⁾	9,251	7,703	(1,548)	-16.7%
<i>Operating Margin</i>	<i>10.6%</i>	<i>10.2%</i>		
<i>EBITDA Margin</i>	<i>15.4%</i>	<i>13.9%</i>		

⁽¹⁾ Operating Income: Gross Profit – Administration Expenses

⁽²⁾ EBITDA: Operating Income + Depreciation and Amortization

Mexico

Main changes in Mexico between 2012 and 2013 are described below:

- ❖ Revenues rose by 12.0%, totaling \$68,052 million (US\$129.7 million), as a result of larger sales in the Platform business (+28.4% YoY).
- ❖ Operating income of \$8,992 million (US\$17.1 million / +17.6% YoY) and \$10,883 million (US\$20.7 million / +13.6% YoY) in EBITDA
- ❖ Operating margin and EBITDA margin reached 13.2% and 16.0% respectively, improving by 60bp and 20bp in comparison with 2012, respectively.

Figure 10: Business in Mexico
2012 – 2013

Summary of Results Mexico	Dec-12	Dec-13	Δ \$	Δ %
	Ch\$M	Ch\$M		
Revenues	60,735	68,052	7,317	12.0%
Platforms	28,122	36,123	8,000	28.4%
IT Services	32,342	31,692	(650)	-2.0%
Applications	271	237	(34)	-12.5%
Cost of Sales	(46,741)	(52,580)	(5,839)	12.5%
Gross Profit	13,995	15,472	1,477	10.6%
Administration Expenses	(6,350)	(6,480)	(130)	2.0%
Operating Income ⁽¹⁾	7,644	8,992	1,348	17.6%
EBITDA ⁽²⁾	9,577	10,883	1,306	13.6%
<i>Operating Margin</i>	<i>12.6%</i>	<i>13.2%</i>		
<i>EBITDA Margin</i>	<i>15.8%</i>	<i>16.0%</i>		

Main changes in Mexico between 4Q12 and 4Q13 are described below:

- ❖ Revenues for \$22,343 million (US\$42.6 million), a 25.9% YoY increase, as a result of larger sales in the platform business line (+88.3% YoY)
- ❖ Operating income, amounted to \$3,089 million (US\$5.9 million), 53.8% up compared to 4Q12, and EBITDA grew by 37.6% YoY, reaching \$3,449 million (US\$6.6 million)
- ❖ Operating margin was 13.8%, while EBITDA margin reached 15.4%.

Figure 11: Business in México
4Q12 – 4Q13

Summary of Results Mexico	4Q12	4Q13	Δ \$	Δ %
	Ch\$M	Ch\$M		
Revenues	17,742	22,343	4,601	25.9%
Platforms	8,416	15,843	7,427	88.3%
IT Services	9,326	6,500	(2,827)	-30.3%
Applications	0	0	0	-
Cost of Sales	(14,067)	(17,309)	(3,243)	23.1%
Gross Profit	3,675	5,033	1,358	36.9%
Administration Expenses	(1,666)	(1,944)	(278)	16.7%
Operating Income ⁽¹⁾	2,009	3,089	1,080	53.8%
EBITDA ⁽²⁾	2,506	3,449	943	37.6%
<i>Operating Margin</i>	<i>11.3%</i>	<i>13.8%</i>		
<i>EBITDA Margin</i>	<i>14.1%</i>	<i>15.4%</i>		

⁽¹⁾ Operating Income: Gross Profit – Administration Expenses

⁽²⁾ EBITDA: Operating Income + Depreciation and Amortization

OPLA (Other countries in Latin America)

Main changes in OPLA (which includes Argentina, Colombia, Costa Rica, Ecuador, Peru, Panama and Uruguay) between 2012 and 2013 are described below:

- ❖ Revenues increased by 6.6%, reaching \$90,134 million (US\$171.8 million). Without translation effects, revenues would have grown by 10.9%. Higher revenues in IT Services (+39.5% YoY), mostly explained by new contracts in Colombia, Argentina, Peru and Uruguay, plus the Metrobus project in Panama.
- ❖ Operating income and EBITDA grew to \$8,685 million (US\$16.6 million) and \$17,279 million (US\$32.9 million), improving 148.1% YoY and 66.9% YoY, respectively
- ❖ Operating margin was 9.6% and EBITDA margin reached 19.2%, 550bp and 700bp up, respectively, compared to 2012.

Figure 12: Business in OPLA
2012 – 2013

Summary of Results OPLA	Dec-12	Dec-13	Δ \$	Δ %
	Ch\$M	Ch\$M		
Revenues	84,552	90,134	5,582	6.6%
Platforms	34,843	23,918	(10,925)	-31.4%
IT Services	43,172	60,244	17,072	39.5%
Applications	6,537	5,972	(565)	-8.6%
Cost of Sales	(71,796)	(73,317)	(1,521)	2.1%
Gross Profit	12,756	16,817	4,061	31.8%
Administration Expenses	(9,255)	(8,132)	1,123	-12.1%
Operating Income ⁽¹⁾	3,501	8,685	5,184	148.1%
EBITDA ⁽²⁾	10,355	17,279	6,923	66.9%
<i>Operating Margin</i>	<i>4.1%</i>	<i>9.6%</i>		
<i>EBITDA Margin</i>	<i>12.2%</i>	<i>19.2%</i>		

Main changes in OPLA between 4Q12 and 4Q13 are described below:

- ❖ 14.9% increase in revenues, to \$25,828 million (US\$49.2 million), explained by higher revenues in the IT Services business for \$17,318 million (US\$33.0 million / +45.8%), partially offset by lower Platforms revenues with a decrease of \$1,861 million (US\$3.5 million / -20.9%)
- ❖ Operating income of \$2,325 million (US\$4.4 million / +231.8% YoY) and EBITDA of \$4,902 million (US\$9.3 million / +116.6% YoY).
- ❖ Operating margin totaled 9.0%, while EBITDA margin reached 19.0%, improving by 890bp.

Figure 13: Business in OPLA
4Q12 – 4Q13

Summary of Results OPLA	4Q12	4Q13	Δ \$	Δ %
	Ch\$M	Ch\$M		
Revenues	22,483	25,828	3,346	14.9%
Platforms	8,886	7,025	(1,861)	-20.9%
IT Services	11,876	17,318	5,442	45.8%
Applications	1,720	1,485	(235)	-13.6%
Cost of Sales	(18,960)	(21,497)	(2,537)	13.4%
Gross Profit	3,523	4,331	809	23.0%
Administration Expenses	(2,822)	(2,007)	816	-28.9%
Operating Income ⁽¹⁾	701	2,325	1,624	231.8%
EBITDA ⁽²⁾	2,263	4,902	2,639	116.6%
<i>Operating Margin</i>	<i>3.1%</i>	<i>9.0%</i>		
<i>EBITDA Margin</i>	<i>10.1%</i>	<i>19.0%</i>		

⁽¹⁾ Operating Income: Gross Profit – Administration Expenses

⁽²⁾ EBITDA: Operating Income + Depreciation and Amortization

Figure N°14: Regional Summary

Regional Summary	Dec-12	Dec-13	Δ \$	Δ %	4Q12	4Q13	Δ \$	Δ %
	Ch\$M	Ch\$M			Ch\$M	Ch\$M		
Chile								
Revenues	306,039	296,549	(9,490)	-3.1%	83,410	77,909	(5,501)	-6.6%
Platforms	148,541	152,612	4,071	2.7%	41,256	43,774	2,518	6.1%
IT Services	143,943	131,053	(12,890)	-9.0%	38,135	30,619	(7,515)	-19.7%
Applications	13,556	12,884	(671)	-5.0%	4,019	3,515	(504)	-12.5%
Cost of Sales	(228,793)	(222,642)	6,151	-2.7%	(60,469)	(58,751)	1,718	-2.8%
Gross Profit	77,246	73,907	(3,339)	-4.3%	22,941	19,158	(3,783)	-16.5%
Administration Expenses	(27,093)	(27,353)	(261)	1.0%	(7,169)	(7,399)	(229)	3.2%
Operating Income ⁽¹⁾	50,154	46,554	(3,599)	-7.2%	15,771	11,759	(4,012)	-25.4%
EBITDA ⁽²⁾	66,227	58,126	(8,101)	-12.2%	19,695	14,538	(5,156)	-26.2%
<i>Operating Margin</i>	<i>16.4%</i>	<i>15.7%</i>			<i>18.9%</i>	<i>15.1%</i>		
<i>EBITDA Margin</i>	<i>21.6%</i>	<i>19.6%</i>			<i>23.6%</i>	<i>18.7%</i>		
Brazil								
Revenues	229,865	217,552	(12,313)	-5.4%	60,136	55,291	(4,845)	-8.1%
Platforms	54,390	52,033	(2,357)	-4.3%	17,252	15,142	(2,111)	-12.2%
IT Services	139,976	132,214	(7,762)	-5.5%	34,386	32,092	(2,294)	-6.7%
Applications	35,499	33,305	(2,194)	-6.2%	8,497	8,057	(440)	-5.2%
Cost of Sales	(187,299)	(181,656)	5,643	-3.0%	(49,541)	(46,358)	3,183	-6.4%
Gross Profit	42,566	35,896	(6,670)	-15.7%	10,594	8,932	(1,662)	-15.7%
Administration Expenses	(18,310)	(16,293)	2,016	-11.0%	(4,235)	(3,316)	919	-21.7%
Operating Income ⁽¹⁾	24,256	19,603	(4,654)	-19.2%	6,360	5,616	(744)	-11.7%
EBITDA ⁽²⁾	31,188	27,758	(3,430)	-11.0%	9,251	7,703	(1,548)	-16.7%
<i>Operating Margin</i>	<i>10.6%</i>	<i>9.0%</i>			<i>10.6%</i>	<i>10.2%</i>		
<i>EBITDA Margin</i>	<i>13.6%</i>	<i>12.8%</i>			<i>15.4%</i>	<i>13.9%</i>		
Mexico								
Revenues	60,735	68,052	7,317	12.0%	17,742	22,343	4,601	25.9%
Platforms	28,122	36,123	8,000	28.4%	8,416	15,843	7,427	88.3%
IT Services	32,342	31,692	(650)	-2.0%	9,326	6,500	(2,827)	-30.3%
Applications	271	237	(34)	-12.5%	0	0	0	-
Cost of Sales	(46,741)	(52,580)	(5,839)	12.5%	(14,067)	(17,309)	(3,243)	23.1%
Gross Profit	13,995	15,472	1,477	10.6%	3,675	5,033	1,358	36.9%
Administration Expenses	(6,350)	(6,480)	(130)	2.0%	(1,666)	(1,944)	(278)	16.7%
Operating Income ⁽¹⁾	7,644	8,992	1,348	17.6%	2,009	3,089	1,080	53.8%
EBITDA ⁽²⁾	9,577	10,883	1,306	13.6%	2,506	3,449	943	37.6%
<i>Operating Margin</i>	<i>12.6%</i>	<i>13.2%</i>			<i>11.3%</i>	<i>13.8%</i>		
<i>EBITDA Margin</i>	<i>15.8%</i>	<i>16.0%</i>			<i>14.1%</i>	<i>15.4%</i>		
OPLA								
Revenues	84,552	90,134	5,582	6.6%	22,483	25,828	3,346	14.9%
Platforms	34,843	23,918	(10,925)	-31.4%	8,886	7,025	(1,861)	-20.9%
IT Services	43,172	60,244	17,072	39.5%	11,876	17,318	5,442	45.8%
Applications	6,537	5,972	(565)	-8.6%	1,720	1,485	(235)	-13.6%
Cost of Sales	(71,796)	(73,317)	(1,521)	2.1%	(18,960)	(21,497)	(2,537)	13.4%
Gross Profit	12,756	16,817	4,061	31.8%	3,523	4,331	809	23.0%
Administration Expenses	(9,255)	(8,132)	1,123	-12.1%	(2,822)	(2,007)	816	-28.9%
Operating Income ⁽¹⁾	3,501	8,685	5,184	148.1%	701	2,325	1,624	231.8%
EBITDA ⁽²⁾	10,355	17,279	6,923	66.9%	2,263	4,902	2,639	116.6%
<i>Operating Margin</i>	<i>4.1%</i>	<i>9.6%</i>			<i>3.1%</i>	<i>9.0%</i>		
<i>EBITDA Margin</i>	<i>12.2%</i>	<i>19.2%</i>			<i>10.1%</i>	<i>19.0%</i>		

⁽¹⁾ Operating Income: Gross Profit – Administration Expenses

⁽²⁾ EBITDA: Operating Income + Depreciation and Amortization

IV. Analysis of Consolidated Balance Sheet

Assets

Total assets amounted to \$743,930 million (US\$1,418.1 million) as of December 31, 2013, with a rise of 7.3% when compared to December 31, 2012. This is mainly explained by:

- ❖ Increase of \$109,551 million (US\$208.8 million) in cash and cash equivalents, totaling \$170,861 million (US\$325.7 million), primarily due to the funds collected during the last tranche of the capital increase in January 2013.

Which was partially offset by a:

- ❖ Decrease in trade account receivable and other receivables of \$18,756 million (US\$35.8 million), totaling \$139,943 million (US\$266.8 million), as a result of better collection effectiveness.
- ❖ Decrease in current account receivable from related parties of \$9,278 million (US\$17.7 million), totaling \$5,344 million (US\$10.2 million), as consequence of payments received from Administrador Financiero Transantiago S.A.
- ❖ Decrease in other non-current financial assets of \$24,016 million (US\$45.8 million), to \$2,390 million (US\$4.6 million), mainly due to the liquidation of financial investments.

Liabilities

Total liabilities reached \$268,557 million (US\$511.9 million) as of December 31, 2013, reflecting a decrease of 9.0% with respect to December 2012, mainly due to a decrease in:

- ❖ Other non-current financial liability of \$42,462 million (US\$80.9 million), reaching as of December 31 \$41,352 million (US\$78.8 million) due to repayments of financial loans and the re-classification of the 5-year Corporate Bond from non-current to current due to its less-than-a-year maturity (Dec-14).
- ❖ Non-current trade accounts payable of \$19,119 million (US\$36.4 million), to \$1,986 million (US\$3.8 million), primarily due to payments related to acquisitions in Brazil in 2012.

And an increase in:

- ❖ Other current financial liability of \$31,055 million (US\$59.2 million), reaching as of December 31, 2014 \$52,764 million (US\$100.6 million) mainly due to the re-classification of the 5-year Corporate Bond from non-current to current due to its less-than-a-year maturity (Dec-14).

Debt level remained stable at the end of December 2013, with a 0.6x leverage ratio (total liabilities / equity), a 0.2x financial leverage ratio (financial liabilities / equity).

Shareholder's Equity

Shareholders' equity attributable to the owners of the company amounted to \$470,025 million (US\$896.0 million) as of December 31, 2013. Main changes compared to December 2013 are the capital increase completed in January, 2013, the results for the period, the dividend accrual and translation effects from foreign subsidiaries.

ROE reached 15.4%.

Figure 15 – Financial Ratios Summary

Financial Ratios		Dec-12	Dec-13	Δ Dec-13 / Dec-12
Liquidity				
Current Ratio (Current Assets / Current Liabilities)	(times)	1.8	1.9	6.1%
Quick Ratio ((Current Assets - Inventories) / Current Liabilities)	(times)	1.6	1.8	7.3%
Working Capital (Current Assets - Current Liabilities)	(Ch M\$)	135,877	188,419	38.7%
Indebtedness				
Leverage ((Current Liabilities + Non-current Liabilities) / Equity)	(times)	0.7	0.6	-23.7%
Leverage Financial ((Other Current Financial Liabilities + Other Non-current Financial Liabilities) / Equity)	(times)	0.3	0.2	-25.2%
Short-Term Debt (Current Liabilities / Total Liabilities)	(times)	0.6	0.8	34.0%
Long-Term Debt (Non-Current Liabilities / Total Liabilities)	(times)	0.4	0.2	-45.0%
Financial-Expenses-Coverage Ratio (EBITDA / Financial Expenses)	(times)	10.9	15.8	45.4%
Financial Debt tu EBITDA Ratio ((Current Liabilities + Non-current Liabilities) / EBITDA ^{1,2})	(times)	0.9	0.8	-8.2%
Net Financial Debt to EBITDA Ratio ((Current Liabilities + Non-current Liabilities - Cash and Cash Equivalents - Other Current Financial Assets) / EBITDA ^{1,2})	(times)	0.3	(0.7)	-329.2%
Profitability				
ROE (Net Income attrib.to Ow ners ² / Equity attrib.to Ow ners ³)	%	13.0%	15.4%	240 pb
ROA (Net Income attrib.to Ow ners ² / Equity attrib.to Ow ners ³)	%	7.1%	9.2%	210 pb
Earnings per Share (Net Income attrib.to Ow ners of Comp. / Total Shares ⁴)	(Ch\$)	54.0	76.3	41.1%
Dividend Yield (Dividends Paid ⁵ / Closing Market Stock Price)	%	1.8%	2.5%	70 pb

¹ EBTIDA = Operating Income + Depreciation and Amortization

² Annual Base

³ Calculated as an average:

- Dec-13: average betw een Dec-13 and Dec-12

- Dec-12: average betw een Dec-12 and Dec-11

⁴ Numbers of shares considered:

- Dec-13 = 871,057,175

- Dec-12 = 837,918,566

⁵ Last 12 months

Statements of Cash Flow

Cash and Cash Equivalents as of December 2013 totaled \$170,861 million (US\$325.7 million), compared to \$61,310 million (US\$116.9 million) as of December, 2012.

Net Operating Cash Flow was \$93,720 million (US\$178.6 million) for 2013, showing an increase of 4.5% with respect to last year.

Net Investment Cash Flow reached \$10,165 million (US\$19.4 million), with a lower use of funds for \$105,954 million (US\$202.0 million) mainly due to the sale of financial investments in 2013 and the acquisition of PARS and Elucid in 2012.

CAPEX totaled \$25,829 million (US\$49.2 million), with net permanent investments of \$6,734 million (US\$12.8 million), intangible assets of \$2,805 million (US\$5.3 million) and \$16,289 million (US\$31.1 million) invested in the purchase of fixed assets for projects with customers and as well as in the new data center in Chile.

Net Financing Cash Flow was \$4,326 million (US\$8.2 million), decreasing by 89.6% YoY, due to the fact that most of the funds collected in the capital raise entered into the balance sheet before December 31, 2012.

Figure N°16: Statements of Cash Flow

Statements of Cash Flow	Dec-12	Dec-13	Δ \$	Δ %
	Ch\$M	Ch\$M		
Net Cash Flows from (used in) Operating Activities	89,656	93,720	4,065	4.5%
Net Cash Flows from (used in) Investing Activities	(95,788)	10,165	105,954	-110.6%
Net Cash Flows from (used in) Financing Activities	41,734	4,326	(37,408)	-89.6%
Net Increase (Decrease) in Cash and Cash Equivalents before effect of Exchange Rates	35,601	108,211	72,610	204.0%
Effect of Exchange Rate changes on Cash and Cash Equivalents	(7,227)	1,340	8,567	-118.5%
Net Increase (Decrease) in Cash and Cash Equivalents	28,374	109,551	81,176	286.1%
Cash and Cash Equivalents at beginning of period	32,936	61,310	28,374	86.2%
Cash and Cash Equivalents at End of Period	61,310	170,861	109,551	178.7%