



4Q15
2015

EARNINGS RELEASE

2015

January 01, 2015 – December 31, 2015

SONDA S.A. and subsidiaries announce their consolidated financial results for the period from January 01 to December 31, 2015. All figures are expressed in Chilean pesos and have been prepared under International Financial Reporting Standards (IFRS). Translations to US dollars stated in this report are based on the month-end exchange rate as of December 31, 2015 (1 US\$ = 710.16 Chilean Pesos).

CONTACT INFORMATION:

INVESTOR.RELATIONS@SONDA.COM

+562 26575365/02

SUMMARY: 2015 – 4Q15

- CONSOLIDATED REVENUES**

US\$1,254.8 million

- OPERATING INCOME**

US\$131.2 million

- EBITDA**

US\$178.5 million

- NET INCOME**

US\$60.3 million

- EBITDA MARGIN**

14.2%

- NET MARGIN**

4.8%

EXECUTIVE SUMMARY

SONDA had consolidated revenues of \$891,122 million (US\$1,254.8 million) for 2015, 1.4% higher than the previous year. Operating income was \$93,148 million (US\$131.2 million) growing by 5.8% (YoY) and EBITDA was \$126,765 million (US\$178.5 million), showing a decrease of 2.3% (YoY). Net income attributable to owners totaled \$42,850 million (US\$60.3 million), 9.9% lower than in 2014.

Regional results:

Region	Revenues		EBITDA	
	Ch\$M	Δ Y/Y	Ch\$M	Δ Y/Y
Chile	353,143	13.9%	58,181	10.3%
Brazil	343,879	-10.3%	36,687	-9.8%
Mexico	82,457	12.1%	13,970	-0.2%
OPLA	111,643	0.0%	17,926	-19.8%
Total	891,122	1.4%	126,765	-2.3%

ROE for 2015 was 9.0%. Current liquidity ratio was 1.9x, financial leverage ratio was 0.2x and financial expenses coverage ratio was 15.1x, reflecting all a healthy financial position.

Highlights:

- The depreciation of certain Latam currencies against Chilean Peso, mainly the Brazilian Real, had a negative effect on the translation of foreign subsidiaries income statements to reporting currency (Chilean Peso). Indeed, excluding this effect, consolidated revenues for 2015 would have reached US\$1,338.2 million growing by 8.2% YoY, while EBITDA would have reached US\$189.1 million, growing by 3.5% YoY.
- Operations outside Chile decreased their revenue by 5.4% (YoY), totaling \$537,980 million (US\$757.5 million), contributing 60.4% of consolidated revenues, while EBITDA decreased by 11.0% compared with 2014, reaching \$68,583 million (US\$96.6 million). Without the currency translation effect, consolidated revenues would have increased by 8.0% and EBITDA would have reached the same level than in 2014.
- Revenues in Brazil reached \$343,879 million (US\$484.2 million) and EBITDA totaled \$36,687 million (US\$51.7 million), 10.3% and 9.8% lower than in 2014, respectively. Without the currency translation effect, revenues and EBITDA would have increased by 9.6% and 11.5%, respectively.
- Revenues in Mexico reached \$82,457 million (US\$116.1 million) growing by 12.1% (YoY) and EBITDA totaled \$13,970 million (US\$19.7 million) flat compared to 2014. Without the currency translation effect, revenues would have grown by 15.4% and EBITDA by 2.0%.
- Revenues in OPLA reached \$111,643 million (US\$157.2 million) flat compared to 2014, and EBITDA totaled \$17,926 (US\$25.2 million), 19.8% less than in 2014 (YoY). Operating Income increased by 18.0%.
- Revenues in Chile grew by 13.9% (YoY) totaling \$353,143 million (US\$497.3 million) and EBITDA increased by 10.3% (YoY), reaching \$58,181 million (US\$81.9 million).
- Net income attributable to the owners was 9.9% lower than in 2014, mainly due to additional taxes accrued in 2015 as a consequence of a foreign investments appreciation after the CLP / USD exchange rate increase. Additional taxes reached US\$20.3 million in 2015 while in 2014 were US\$9.3 million. Taking this effect (net) apart, net income would have increased by 5.8% (YoY).
- New deals closed during 2015 reached US\$1,215.2 million, 8.0% lower than in 2014 (at each period-end exchange rate). Without currency translation effects, new deals closed would have grown by 3.1%.



Figure I – Consolidated Financial Statement

Consolidated Financial Statements SONDA S.A.				
Millions of Ch\$ (Ch\$M)				
Income Statement	Dec-14	Dec-15	Δ \$	Δ %
Revenues	878,455	891,122	12,667	1.4%
Cost of Sales	-720,758	-719,321	1,437	-0.2%
Gross Profit	157,697	171,801	14,105	8.9%
Administration Expenses	-69,629	-78,653	-9,024	13.0%
Operating Income ⁽¹⁾	88,067	93,148	5,080	5.8%
Depreciation and Amortization	41,694	33,617	-8,077	-19.4%
EBITDA ⁽²⁾	129,761	126,765	-2,997	-2.3%
Other Income	4,404	4,950	545	12.4%
Other Expenses	-5,388	-10,474	-5,086	94.4%
Profit (Loss) From Operating Activities	87,083	87,623	540	0.6%
Financial Income	6,408	4,287	-2,122	-33.1%
Financial Expenses	-11,368	-8,420	2,948	-25.9%
Share of Profit (Loss) of Associates	478	323	-155	-32.4%
Foreign Exchange Differences	-6	-442	-436	6918.0%
Income (Loss) for Indexed Assets and Liabilities	-1,822	-272	1,550	-85.1%
Net Income Before Taxes	80,773	83,099	2,326	2.9%
Income Tax Expense	-29,338	-35,554	-6,217	21.2%
Net Income from Continuing Operations	51,436	47,545	-3,891	-7.6%
Net Income Attributable to Minority Interest	3,896	4,694	798	20.5%
Net Income Attributable to Owners of the Company	47,539	42,850	-4,689	-9.9%
Balance Sheet	Dec-14	Dec-15	Δ \$	Δ %
Cash and Cash Equivalents	78,590	68,392	-10,198	-13.0%
Other Current Financial Assets	3,045	1,720	-1,325	-43.5%
Trade Accounts Receivable and Other Receivables, Net	222,296	231,689	9,393	4.2%
Accounts Receivable from Related Companies	4,024	3,665	-358	-8.9%
Inventories	38,781	42,481	3,700	9.5%
Other Current Assets	41,963	34,190	-7,773	-18.5%
Current Assets	388,698	382,137	-6,561	-1.7%
Intangibles Assets and Goodwill	295,972	245,684	-50,288	-17.0%
Property, Plant and Equipment, Net	99,613	95,433	-4,180	-4.2%
Other Non-currents Assets	56,959	67,462	10,503	18.4%
Non-current Assets	452,544	408,579	-43,965	-9.7%
Assets	841,242	790,716	-50,527	-6.0%
Other Current Financial Liabilities	16,225	13,308	-2,917	-18.0%
Other Liabilities	193,308	186,062	-7,245	-3.7%
Current Liabilities	209,533	199,370	-10,163	-4.9%
Other Non-current Financial Liabilities	82,367	78,641	-3,726	-4.5%
Other Liabilities, Non-Current	46,786	46,847	61	0.1%
Non-current Liabilities	129,153	125,488	-3,665	-2.8%
Liabilities	338,686	324,858	-13,827	-4.1%
Minority Interest	5,920	6,839	918	15.5%
Total Shareholders' Equity Attributable to Owners of the Company	496,636	459,018	-37,618	-7.6%
Total Liabilities and Shareholders' Equity	841,242	790,716	-50,527	-6.0%

⁽¹⁾ Operating Income = Gross Profit – Administration Expenses

⁽²⁾ EBITDA = Operating Income + Depreciation and Amortization

MANAGEMENT DISCUSSION AND ANALYSIS ON 2015 AND 4Q15 CONSOLIDATED RESULTS

I. Consolidated Results for 2015

Revenues

Consolidated revenues totaled \$891,122 million (US\$1,254.8 million) for 2015, 1.4% (\$12,667 million / \$17.8 million) above 2014 (YoY). Without currency translation effects revenues would have grown by 8.2% (YoY).

Main variations in the period were the following:

- 10.2% increase (\$32,628 million / US\$45.9 million) in revenue from the Platform business, reaching \$353,610 million (US\$497.9 million) for 2015, mainly coming from Chile, retail business.
- 1.6% decrease (\$7,958 million / US\$11.2 million) in revenues from the IT Services business, totaling \$481,911 million (US\$678.6 million) in 2015, mostly due to the negative effect of currency translation from Brazilian Real to Chilean Peso. Without the latter effect, revenues coming from IT Services business would have increased by 9.3%.
- 17.8% decrease (\$12,003 million / US\$16.9 million) in revenue from the Application business, reaching \$55,601 million (US\$78.3 million) in 2015, due to the negative effect of currency translation from Brazilian Real to Chilean Peso. Without the latter effect, revenues coming from Application business would have increased by 6.0%.

Revenue breakdown by business line for 2015 is the following: IT Services contributed 54.1% of total revenues, Platforms contributed 39.7% and Applications contributed with the remaining 6.2%.

Figure 2 – Consolidated Revenues
by Business Line

Consolidated Revenues by Business Line	Dec-14	Dec-15	Δ \$	Δ %
	Ch\$M	Ch\$M		
Platforms	320,982	353,610	32,628	10.2%
IT Services	489,868	481,911	-7,958	-1.6%
Applications	67,604	55,601	-12,003	-17.8%
Total	878,455	891,122	12,667	1.4%
Breakdown				
Platforms	36.5%	39.7%		
IT Services	55.8%	54.1%		
Applications	7.7%	6.2%		
Total	100.0%	100.0%		

Cost of Sales and Selling, General and Administrative Expenses

Consolidated cost of sales totaled \$719,321 million (US\$1,012.9 million) in 2015, flat compared to 2014.

Administration expenses were \$78,653 million (US\$110.8 million) for 2015, a growth of 13.0% respect to 2014, mainly due to CTIS consolidation and a higher business volume from the Platform business.

Figure 3 – Income Statement

Summary of Consolidated Income Statement				
	Dec-14	Dec-15	Δ \$	Δ %
	Ch\$M	Ch\$M		
Revenues	878,455	891,122	12,667	1.4%
Cost of Sales	-720,758	-719,321	1,437	-0.2%
Gross Profit	157,697	171,801	14,105	8.9%
Administration Expenses	-69,629	-78,653	-9,024	13.0%
Operating Income ⁽¹⁾	88,067	93,148	5,080	5.8%
EBITDA ⁽²⁾	129,761	126,765	-2,997	-2.3%
Net Income Attributable to Owners	47,539	42,850	-4,689	-9.9%
Financial Ratios				
Gross Margin	18.0%	19.3%		
Operating Margin	10.0%	10.5%		
EBITDA Margin	14.8%	14.2%		
Net Margin	5.4%	4.8%		

(1) Operating Income: Gross Profit – Administration Expenses

(2) EBITDA: Operating Income + Depreciation and Amortization

Operating Income and EBITDA

Operating income reached \$93,148 million (US\$131.1 million), showing an increase of 5.8% with regards to 2014. Gross Margin as a percentage of revenue came to 19.3% and the operating margin to 10.5%, higher by 130bp and 50bp than in 2014, respectively. Without currency translation effects, Operating Income would have grown by 10.5%.

EBITDA totaled \$126,765 million (US\$178.5 million) for 2015, a decrease of 2.3% than in 2014. EBITDA margin reached 14.2%, 60bp less than in 2014. Without currency translation effect, EBITDA would have grown by 3.5%.

Other Comprehensive Income (Excluding Administration Expenses)

Total other comprehensive income, excluding administration expenses, reached a loss of \$10.049 million (US\$14.1 million) in 2015, higher by 37.8% than the loss registered in 2014. This loss is a consequence of higher Other Income/Expenses, partially offset by lower Net Financial Expenses and higher Income (Loss) for Indexed Assets and Liabilities. In Other Expenses there is a \$5,459 million (US\$7.7 million) charge due to restructuring costs related to business integration processes being undertaken in Brazil.

Net Income

Net income attributable to the owners of the company, totaled \$42,850 million (US\$60.3 million) in 2015, reflecting a decrease of 9.9% (YoY), mainly due to additional taxes accrued in 2015 as consequence of a foreign investments appreciation after the CLP / USD exchange rate hike. Additional taxes reached US\$20.3 million in 2015 and \$9.3 million in 2014. Without this effect, net income would have increased by 5.8% (YoY).

II. Consolidated Results for the Fourth Quarter of 2015 (4Q15)

Revenues

Consolidated revenues reached \$243,283 million (US\$342.6million) in 4Q15, lower by 4.9% than in 4Q14. Without currency translation effects revenues would have grown by 2.4%.

- Revenues from IT services business decreased by 9.9%, totaling \$119.512 million (US\$168.3 million) which, without currency translation effect, revenues would have shown an increase of 2.9%. Considering the results in Chilean Pesos, the change is mainly due to:
 - 11.0% lower revenues from IT outsourcing (\$6,020 million / US\$8.5 million), reaching \$48,761 million (US\$68.7 million).
 - 13.6% decrease in technical support revenues (\$4,885 million / US\$6.9 million), to \$30,926 million (US\$43.5 million).
 - 5.3% lower revenues from professional services (\$2,243 million / US\$3.2 million), reaching \$39,825 million (US\$56.1 million).
- Applications business total revenues went down 30.4% YoY (\$5,445 million / US\$7.7 million), totalizing \$12,462 million (US\$17.5 million). Considering the results in Chilean Pesos, the change is mainly due to:
 - 33.7% decrease in support and deploying (\$2,807 million / US\$4.0 million), totalizing \$5,525 million (US\$7.8 million).
 - 29.1% decrease in development and maintenance revenues (\$1,989 million / US\$2.8 million), to \$4,846 million (US\$6.8 million).

Decreases above were partially offset by:

- Platforms business revenues went up by 5.8% YoY (\$6,132 million / US\$8.6 million) reaching \$111,309 million (US\$156.7 million). Considering the results in Chilean Pesos, the change is mainly due to:
 - 20.9% higher sales of HW platforms (\$16,805 million / US\$23.7 million), to \$97,139 million (US\$136.8 million) mainly in Chile and Mexico.

Partially offset by:

- 39.8% lower sales of SW platforms (\$8,874 million / US\$12.5 million), to \$13,447 million (US\$18.9 million) in Brazil.

In terms of revenue breakdown by business line, IT services contributed with 49.1% of consolidated revenues during the fourth quarter of 2015, while applications and platforms business lines represented 5.1% and 45.8%, respectively.

Figure 4 – Consolidated Revenues
by Business Line

Consolidated Revenues by Business Line	4Q14	4Q15	Δ \$	Δ %
	Ch\$M	Ch\$M		
Platforms	105,176	111,309	6,132	5.8%
IT Services	132,660	119,512	-13,148	-9.9%
Applications	17,908	12,462	-5,445	-30.4%
Total	255,744	243,283	-12,461	-4.9%
Breakdown				
Platforms	41.1%	45.8%		
IT Services	51.9%	49.1%		
Applications	7.0%	5.1%		
Total	100.0%	100.0%		

Cost of Sales and Selling, General and Administrative Expenses

Cost of sales amounted \$196,663 million (US\$276.9 million) for 4Q15, down 7.5% YoY, mainly due to lower costs in Brazil.

Administration expenses totaled \$20,674 million (US\$29.1 million), increasing by 14.7% YoY.

Figure 5 – Income Statement

Summary of Consolidated Income Statement	4Q14	4Q15	Δ \$	Δ %
	Ch\$M	Ch\$M		
Revenues	255,744	243,283	-12,461	-4.9%
Cost of Sales	-212,580	-196,663	15,918	-7.5%
Gross Profit	43,163	46,620	3,457	8.0%
Administration Expenses	-18,022	-20,674	-2,652	14.7%
Operating Income ⁽¹⁾	25,141	25,946	805	3.2%
EBITDA ⁽²⁾	38,051	34,651	-3,399	-8.9%
Net Income Attributable to Owners	14,749	14,332	-418	-2.8%
Financial Ratios				
Gross Margin	16.9%	19.2%		
Operating Margin	9.8%	10.7%		
EBITDA Margin	14.9%	14.2%		
Net Margin	5.8%	5.9%		

(1) Operating Income: Gross Profit – Administration Expenses

(2) EBITDA: Operating Income + Depreciation and Amortization

Operating Income and EBITDA

Operating income reached \$25,946 million (US\$36.5 million / 3.2% YoY). Gross margin as a percentage of revenues reached 19.2%, while operating margin was 10.7%, 230bp and 90bp higher than in 4Q14, respectively.

EBITDA amounted to \$34,651 million (US\$48.8 million / -8.9% YoY) for 4Q15 and EBITDA margin reached 14.2%, 70bp lower than in 4Q14. Without currency translations effects, 4Q15 EBITDA would have decreased by 3.6%.

Other Comprehensive Income (Excluding Administration Expenses)

Total other comprehensive income, excluding administration expenses, moved from a loss of \$3,221 million (US\$4.5 million) in 4Q14 to a loss of \$4,084 million (US\$5.8 million) in 4Q15. The higher loss was mainly due to an increase in Other Expenses (-\$1,950 million / -US\$2.7 million). From the latter, \$1,417 million (US\$2.0 million) correspond to restructuring costs related to business integration processes being undertaken in Brazil.

Net Income

Net income attributable to the owners of the Company, amounted \$14,332 million (US\$20.2 million) in 4Q15, down 2.8% YoY, mainly due to additional taxes accrued as a consequence of foreign investments appreciation after the CLP /USD exchange rate increase. These additional taxes were US\$2.2 million in 4Q15 and US\$1.4 million in 4Q14. Without this effect, net income would have increased by 1.3% (YoY) and net margin would have been 6.5%.

III. Regional Results for 2015 and the fourth quarter of 2015 (4Q15)

Chile

Main changes in Chile between 2015 and 2014 are described below:

- Revenue reached \$353,143 million (US\$497,3 million), increasing by 13.9% (YoY) mainly due to higher revenues from Platforms (+19.5%) coming from retail and wholesale business, and IT Services (+6.9%).
- Operating Income was \$46,141 million (US\$65.0 million / +11.2% YoY) and EBITDA was \$58,181 million (US\$81.9 million / +10.3% YoY), an increase due to better performance of IT Services business.
- Operating Margin reached 13.1%, and EBITDA Margin reached 16.5%, 30bp and 50bp lower than in 2014, respectively.
- Lower margins are explained mainly by the larger stake of revenues coming from the retail business (Platforms). Without this, EBITDA Margin in Chile would move up from 16.5% to 17.4%.

Figure 6 – Business in Chile
Dec-14 – Dec-15

Summary of Results Chile	Dec-14	Dec-15	Δ \$	Δ %
	Ch\$M	Ch\$M		
Revenues	309,929	353,143	43,214	13.9%
Platforms	175,364	209,625	34,261	19.5%
IT Services	119,136	127,395	8,259	6.9%
Applications	15,429	16,122	693	4.5%
Cost of Sales	-238,549	-272,863	-34,314	14.4%
Gross Profit	71,380	80,279	8,900	12.5%
Administration Expenses	-29,899	-34,138	-4,240	14.2%
Operating Income⁽¹⁾	41,481	46,141	4,660	11.2%
EBITDA⁽²⁾	52,742	58,181	5,439	10.3%
Operating Margin	13.4%	13.1%		
EBITDA Margin	17.0%	16.5%		

Main changes in Chile between 4Q15 and 4Q14 are described below:

- \$99,732 million (US\$140.4 million / +13.9% YoY) in revenues for 4Q15. The increase was driven higher revenues from all business lines: IT Services (+3.9% YoY), Platforms (+20.9% YoY) and Applications (+2.6% YoY).
- Operating income of \$12,535 million (US\$17.7 million), increasing 3.0% (YoY), due to higher gross profit (+7.3% YoY).
- EBITDA totaling \$16,061 million (US\$22.6 million), increasing by 7.3%, and EBITDA margin at 16.1%.
- Lower margins are explained mainly by a larger proportion of revenues coming from the Platforms business. Without this, EBITDA Margin in Chile would move up from 16.1% to 17.0%.

Figure 7 – Business in Chile
4Q14 – 4Q15

Summary of Results Chile	4Q14	4Q15	Δ \$	Δ %
	Ch\$M	Ch\$M		
Revenues	87,529	99,732	12,203	13.9%
Platforms	52,132	63,018	10,886	20.9%
IT Services	30,746	31,941	1,194	3.9%
Applications	4,651	4,774	123	2.6%
Cost of Sales	-67,016	-77,727	-10,711	16.0%
Gross Profit	20,513	22,006	1,492	7.3%
Administration Expenses	-8,348	-9,471	-1,123	13.4%
Operating Income⁽¹⁾	12,165	12,535	370	3.0%
EBITDA⁽²⁾	14,966	16,061	1,094	7.3%
Operating Margin	13.9%	12.6%		
EBITDA Margin	17.1%	16.1%		

(1) Operating Income: Gross Profit – Administration Expenses

(2) EBITDA: Operating Income + Depreciation and Amortization

Brazil

Main changes in Brazil between 2015 and 2014, are described below:

- Revenue reached \$343,879 million (US\$484.2 million), 10.3% lower than in 2014. Without currency translation effect, the increase in revenues would have grown by 9.6% (YoY).
- Operating Income reached \$20,777 million (US\$29.3 million / -6.8% YoY) and EBITDA was \$36,687 million (US\$51.7 million / -9.8% YoY). Without currency translation effect, Operating Income and EBITDA would have grown by 16.3% and 11.5%, respectively.
- Operating margin was 6.0% and EBITDA margin was 10.7%, 20bp and 10bp higher than in 2014, respectively.

Figure 8 – Business in Brazil
Dec-14 – Dec-15

Summary of Results Brazil	Dec-14	Dec-15	Δ \$	Δ %
	Ch\$M	Ch\$M		
Revenues	383,319	343,879	-39,440	-10.3%
Platforms	75,389	59,928	-15,461	-20.5%
IT Services	260,623	250,152	-10,471	-4.0%
Applications	47,307	33,799	-13,508	-28.6%
Cost of Sales	-337,119	-295,238	41,881	-12.4%
Gross Profit	46,200	48,641	2,441	5.3%
Administration Expenses	-23,906	-27,864	-3,957	16.6%
Operating Income ⁽¹⁾	22,294	20,777	-1,516	-6.8%
EBITDA ⁽²⁾	40,668	36,687	-3,981	-9.8%
Operating Margin	5.8%	6.0%		
EBITDA Margin	10.6%	10.7%		

Main changes in Brazil between 4Q15 and 4Q14, are described below:

- Revenues reaching \$82,990 million (US\$116.9 million), decreasing 26.0% YoY. Without the translation effect, revenues would have reached US\$ 150.9 million (-4.5% YoY).
- Operating income reached \$4,954 million (US\$7.0 million) a 13.6% lower than 4Q14. While EBITDA reached \$8,604 million (US\$12.1 million), down by 34.6% (YoY). Without the translation effect, EBITDA would decrease by 15.1% over 4Q14.
- Operating margin reached 6.0%, 90bp over that of 4Q14, while EBITDA margin reached 10.4%, 130bp below that of 4Q14.

Figure 9 – Business in Brazil
4Q14 – 4Q15

Summary of Results Brazil	4Q14	4Q15	Δ \$	Δ %
	Ch\$M	Ch\$M		
Revenues	112,188	82,990	-29,198	-26.0%
Platforms	25,506	16,823	-8,683	-34.0%
IT Services	74,687	59,094	-15,593	-20.9%
Applications	11,994	7,072	-4,922	-41.0%
Cost of Sales	-101,165	-71,096	30,069	-29.7%
Gross Profit	11,022	11,894	871	7.9%
Administration Expenses	-5,286	-6,939	-1,654	31.3%
Operating Income ⁽¹⁾	5,737	4,954	-783	-13.6%
EBITDA ⁽²⁾	13,161	8,604	-4,557	-34.6%
Operating Margin	5.1%	6.0%		
EBITDA Margin	11.7%	10.4%		

(1) Operating Income: Gross Profit – Administration Expenses

(2) EBITDA: Operating Income + Depreciation and Amortization

Mexico

Main changes in Mexico between 2015 and 2014 are described below:

- Revenue grew by 12.1% (YoY), totaling \$82,457 million (US\$116.1 million), mainly due to Platform business.
- Operating Income reached \$12,195 million (US\$17.2 million) and EBITDA reached \$13,970 million (US\$19.6 million), a decrease of 1.6% and 0.2% YoY, respectively.
- Operating margin reached 14.8% and EBITDA margin reached 16.9%, both lower by 210bp than in 2014, respectively.

Figure 10 – Business in Mexico
Dec-14 – Dec-15

Summary of Results Mexico	Dec-14	Dec-15	Δ \$	Δ %
	Ch\$M	Ch\$M		
Revenues	73,529	82,457	8,928	12.1%
Platforms	35,142	46,312	11,171	31.8%
IT Services	38,387	36,145	-2,242	-5.8%
Applications	0	0	0	-
Cost of Sales	-54,933	-63,379	-8,445	15.4%
Gross Profit	18,596	19,079	483	2.6%
Administration Expenses	-6,197	-6,884	-687	11.1%
Operating Income ⁽¹⁾	12,399	12,195	-204	-1.6%
EBITDA ⁽²⁾	14,000	13,970	-29	-0.2%
Operating Margin	16.9%	14.8%		
EBITDA Margin	19.0%	16.9%		

Main changes in Mexico between 4Q15 and 4Q14 are described below:

- Revenues for \$28,557 million (US\$40.2 million), a 15.2% (YoY) increase, mostly as a result of larger revenues from the Platforms business (+26.4% YoY).
- Operating income, reaching \$3,795 million (US\$5.3 million), 10.2% down from 4Q14, and EBITDA decrease by 7.3% YoY, to \$4,325 million (US\$6.1 million).
- Operating margin was 13.3%, while EBITDA margin reached 15.1%, reflecting the larger proportion of revenues coming from the Platform business.

Figure 11 – Business in Mexico
4Q14 – 4Q15

Summary of Results Mexico	4Q14	4Q15	Δ \$	Δ %
	Ch\$M	Ch\$M		
Revenues	24,787	28,557	3,771	15.2%
Platforms	14,501	18,323	3,822	26.4%
IT Services	10,285	10,234	-51	-0.5%
Applications	0	0	0	-
Cost of Sales	-18,840	-22,978	-4,138	22.0%
Gross Profit	5,946	5,579	-367	-6.2%
Administration Expenses	-1,719	-1,784	-65	3.8%
Operating Income ⁽¹⁾	4,227	3,795	-432	-10.2%
EBITDA ⁽²⁾	4,667	4,325	-342	-7.3%
Operating Margin	17.1%	13.3%		
EBITDA Margin	18.8%	15.1%		

(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 2015 and 2014 are described below:

- Revenue were flat compared to 2014, reaching \$111,643 million (US\$157.2 million).
- Operating Income reached \$14,035 million (US\$19.8 million), 18.0% higher than in 2014 and EBITDA was \$17,926 million (US\$25.2 million) lower by 19.8% (YoY). The lower EBITDA was as consequence of the end of outsourcing contracts with a high depreciation level.
- Operating margin was 12.6%, 190bp over that of 2014.

Figure 12 – Business in OPLA
Dec-14 – Dec-15

Summary of Results OPLA	Dec-14	Dec-15	Δ \$	Δ %
	Ch\$M	Ch\$M		
Revenues	111,678	111,643	-35	0.0%
Platforms	35,088	37,744	2,657	7.6%
IT Services	71,722	68,218	-3,504	-4.9%
Applications	4,869	5,680	812	16.7%
Cost of Sales	-90,157	-87,841	2,316	-2.6%
Gross Profit	21,522	23,802	2,281	10.6%
Administration Expenses	-9,628	-9,768	-140	1.5%
Operating Income ⁽¹⁾	11,894	14,035	2,141	18.0%
EBITDA ⁽²⁾	22,351	17,926	-4,425	-19.8%
Operating Margin	10.7%	12.6%		
EBITDA Margin	20.0%	16.1%		

Main changes in OPLA between 4Q15 and 4Q14 are described below:

- 2.4% increase in revenues, to \$32,004 million (US\$45.1 million), explained by increased IT Services revenues for \$1,302 (US\$1.8 million / +7.7%), partially offset by lower Application business revenues by \$646 million (US\$0.9 million / -51.2%).
- Operating income of \$4,662 million (US\$6.6 million / +54.8% YoY) and EBITDA of \$5,662 million (US\$8.0 million / +7.7% YoY).
- Operating margin totaled 14.6%, while EBITDA margin reached 17.7%.

Figure 13 – Business in OPLA
4Q14 – 4Q15

Summary of Results OPLA	4Q14	4Q15	Δ \$	Δ %
	Ch\$M	Ch\$M		
Revenues	31,240	32,004	763	2.4%
Platforms	13,037	13,145	108	0.8%
IT Services	16,941	18,243	1,302	7.7%
Applications	1,262	616	-646	-51.2%
Cost of Sales	-25,559	-24,862	697	-2.7%
Gross Profit	5,681	7,142	1,460	25.7%
Administration Expenses	-2,669	-2,480	190	-7.1%
Operating Income ⁽¹⁾	3,012	4,662	1,650	54.8%
EBITDA ⁽²⁾	5,257	5,662	404	7.7%
Operating Margin	9.6%	14.6%		
EBITDA Margin	16.8%	17.7%		

(1) Operating Income: Gross Profit – Administration Expenses

(2) EBITDA: Operating Income + Depreciation and Amortization

Figure I4 – Regional Summary

Regional Summary	Dec-14 Ch\$M	Dec-15 Ch\$M	Δ \$	Δ %	4Q14 Ch\$M	4Q15 Ch\$M	Δ \$	Δ %
Chile								
Revenues	309,929	353,143	43,214	13.9%	87,529	99,732	12,203	13.9%
Platforms	175,364	209,625	34,261	19.5%	52,132	63,018	10,886	20.9%
IT Services	119,136	127,395	8,259	6.9%	30,746	31,941	1,194	3.9%
Applications	15,429	16,122	693	4.5%	4,651	4,774	123	2.6%
Cost of Sales	-238,549	-272,863	-34,314	14.4%	-67,016	-77,727	-10,711	16.0%
Gross Profit	71,380	80,279	8,900	12.5%	20,513	22,006	1,492	7.3%
Administration Expenses	-29,899	-34,138	-4,240	14.2%	-8,348	-9,471	-1,123	13.4%
Operating Income ⁽¹⁾	41,481	46,141	4,660	11.2%	12,165	12,535	370	3.0%
EBITDA ⁽²⁾	52,742	58,181	5,439	10.3%	14,966	16,061	1,094	7.3%
Operating Margin	13.4%	13.1%			13.9%	12.6%		
EBITDA Margin	17.0%	16.5%			17.1%	16.1%		
Brazil								
Revenues	383,319	343,879	-39,440	-10.3%	112,188	82,990	-29,198	-26.0%
Platforms	75,389	59,928	-15,461	-20.5%	25,506	16,823	-8,683	-34.0%
IT Services	260,623	250,152	-10,471	-4.0%	74,687	59,094	-15,593	-20.9%
Applications	47,307	33,799	-13,508	-28.6%	11,994	7,072	-4,922	-41.0%
Cost of Sales	-337,119	-295,238	41,881	-12.4%	-101,165	-71,096	30,069	-29.7%
Gross Profit	46,200	48,641	2,441	5.3%	11,022	11,894	871	7.9%
Administration Expenses	-23,906	-27,864	-3,957	16.6%	-5,286	-6,939	-1,654	31.3%
Operating Income ⁽¹⁾	22,294	20,777	-1,516	-6.8%	5,737	4,954	-783	-13.6%
EBITDA ⁽²⁾	40,668	36,687	-3,981	-9.8%	13,161	8,604	-4,557	-34.6%
Operating Margin	5.8%	6.0%			5.1%	6.0%		
EBITDA Margin	10.6%	10.7%			11.7%	10.4%		
Mexico								
Revenues	73,529	82,457	8,928	12.1%	24,787	28,557	3,771	15.2%
Platforms	35,142	46,312	11,171	31.8%	14,501	18,323	3,822	26.4%
IT Services	38,387	36,145	-2,242	-5.8%	10,285	10,234	-51	-0.5%
Applications	0	0	0 -		0	0	0 -	
Cost of Sales	-54,933	-63,379	-8,445	15.4%	-18,840	-22,978	-4,138	22.0%
Gross Profit	18,596	19,079	483	2.6%	5,946	5,579	-367	-6.2%
Administration Expenses	-6,197	-6,884	-687	11.1%	-1,719	-1,784	-65	3.8%
Operating Income ⁽¹⁾	12,399	12,195	-204	-1.6%	4,227	3,795	-432	-10.2%
EBITDA ⁽²⁾	14,000	13,970	-29	-0.2%	4,667	4,325	-342	-7.3%
Operating Margin	16.9%	14.8%			17.1%	13.3%		
EBITDA Margin	19.0%	16.9%			18.8%	15.1%		
OPLA								
Revenues	111,678	111,643	-35	0.0%	31,240	32,004	763	2.4%
Platforms	35,088	37,744	2,657	7.6%	13,037	13,145	108	0.8%
IT Services	71,722	68,218	-3,504	-4.9%	16,941	18,243	1,302	7.7%
Applications	4,869	5,680	812	16.7%	1,262	616	-646	-51.2%
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Gross Profit	21,522	23,802	2,281	10.6%	5,681	7,142	1,460	25.7%
Administration Expenses	-9,628	-9,768	-140	1.5%	-2,669	-2,480	190	-7.1%
Operating Income ⁽¹⁾	11,894	14,035	2,141	18.0%	3,012	4,662	1,650	54.8%
EBITDA ⁽²⁾	22,351	17,926	-4,425	-19.8%	5,257	5,662	404	7.7%
Operating Margin	10.7%	12.6%			9.6%	14.6%		
EBITDA Margin	20.0%	16.1%			16.8%	17.7%		

(1) Operating Income: Gross Profit – Administration Expenses

(2) EBITDA: Operating Income + Depreciation and Amortization

ANALYSIS OF CONSOLIDATED BALANCE SHEET

Assets

Total assets amounted to \$790,716 million (US\$1,113.4 million) as of December 31, 2015, showing a decrease of 6.0% compared to December 2014. This was mainly due to a decrease in:

- Goodwill of \$39,407 million (US\$54.6 million), whose balance as of December 31, 2015 was \$218,735 million (US\$308.0 million), mainly due to currency translation effects.
- Intangible assets other than goodwill of \$10,881 million (US\$15.3 million), whose balance as of December 31, 2015 was \$26,948 million (US\$37.9 million), due to amortizations for the period.
- Cash and Cash Equivalents of \$10,197 million (US\$14.4 million), whose balance as of December 31, 2015 was \$68,392 million (US\$96.3 million), mainly due to payment of financial debt, dividends, earnouts related to acquisitions, working capital requirements and investments.

Liabilities

Liabilities totaled \$324,858 million (US\$457.4 million) as of December 31, 2015 decreasing by 4.1% with respect to December 2014, mainly due to a decrease in:

- Non-current account payable of \$7,262 million (US\$10.2 million), whose balance as of December 31, 2015 was \$16,965 million (US\$23.9 million), mostly related to earnouts in Brazil.
- Trade account payable and other payable of \$6,603 million (US\$9.3 million) whose balance as of December 31, 2015 was \$119,526 (US\$168.3 million), mostly coming from Brazil.
- Other current and non-current financial liabilities of \$2,917 million (US\$4.1 million) and \$3,726 million (US\$5.2 million), respectively, whose balance as of December 31, 2015 was \$13,308 million (US\$18.7 million) and \$78,641 million (US\$110.7 million), respectively, due to the payment of loans in Brazil, Chile and Argentina.

Shareholder's Equity

Consolidated Shareholders' Equity Attributable to Owners reached a value of \$459,018 million (US\$646.4 million) in 2015 decreasing by 7.6% compared to December 2014 (\$38,152 million / US\$53.7 million). Main changes with respect to December 2014 are driven by negative effects on the account Reserve of exchange differences on translation (-\$59,014 million / -US\$83.1 million), partially offset by net income of the period.

Return on Equity (ROE) reached 9.0%.

Figure 15 – Financial Ratios Summary

Financial Ratios		Dec-14	Dec-15	Δ Dec-15 / Dec-14
Liquidity				
Current Ratio (Current Assets / Current Liabilities)	(times)	1.9	1.9	3.3%
Quick Ratio ((Current Assets - Inventories) / Current Liabilities)	(times)	1.7	1.7	2.0%
Working Capital (Current Assets - Current Liabilities)	(Ch M\$)	179,165	182,767	2.0%
Indebtedness				
Leverage ((Current Liabilities + Non-current Liabilities) / Equity)	(times)	0.7	0.7	3.5%
Financial Leverage ((Other Current Financial Liabilities + Other Non-current Financial Liabilities) / Equity)	(times)	0.2	0.2	0.6%
Short-Term Debt (Current Liabilities / Total Liabilities)	(times)	0.6	0.6	-0.8%
Long-Term Debt (Non-Current Liabilities / Total Liabilities)	(times)	0.4	0.4	1.3%
Financial-Expenses-Coverage Ratio (EBITDA / Financial Expenses)	(times)	11.4	15.1	31.9%
Financial Debt to EBITDA Ratio ((Current Liabilities + Non-current Liabilities) / EBITDA ^{1,2})	(times)	0.8	0.7	-4.5%
Net Financial Debt to EBITDA Ratio ((Current Liabilities + Non-current Liabilities - Cash and Cash Equivalents - Other Current Financial Assets) / EBITDA ^{1,2})	(times)	0.1	0.2	31.8%
Profitability				
ROE (Net Income attrib.to Owners ² / Equity attrib.to Owners ³)	%	9.8%	9.0%	-80 pb
ROA (Net Income attrib.to Owners ² / Equity attrib.to Owners ³)	%	6.0%	5.3%	-70 pb
Earnings per Share (Net Income attrib.to Owners of Comp. / Total Shares ⁴)	(Ch\$)	54.6	49.2	-9.9%
Dividend Yield (Dividends Paid ⁵ / Closing Market Stock Price)	%	2.4%	1.9%	-50 pb

1 EBITDA = Operating Income + Depreciation and Amortization

2 Annual Base

3 Calculated as an average:

- Dec-15: average between Dec-15 and Dec-14

- Dec-14: average between Dec-14 and Dec-13

4 Numbers of shares considered:

- Dec-15 = 871.057.175

- Dec-14 = 871.057.175

5 Last 12 months

Statements of Cash Flow

Cash and Cash Equivalents totaled \$68,392 million (US\$96.3 million) as of December 31, 2015, which compares with \$78,590 million (US\$110.7 million) as of December 31, 2014.

Net Operating Cash Flow totaled \$51,238 million in 2015 (US\$72.1 million), a decrease of 23.3% compared to 2014.

Net Investment Cash Flow was \$25,585 million (US\$36.0 million), decreasing the use of funds by \$28,433 million (US\$40.0 million), mostly due to the acquisition of CTIS in 2014.

Capital Expenditures (CAPEX) amounted to \$27,327 million (US\$38.5 million) as of December 31, 2015, and include intangibles by \$1,818 million (US\$2.6 million); \$22,121 million (US\$31.1 million) invested in the purchase of fixed assets for internal use and for projects with customers; and permanent investments by \$3,388 million (US\$4.8 million).

Net Financing Cash Flow totaled \$32,668 million (US\$46.0 million), a change of \$70,769 million (US\$99.7 million) in comparison with December 2014, mainly due to lower payments of financial obligations (for the payment of loans in 2014), and lower payment of dividends.

Figure 16 – Statements of Cash Flow

Statements of Cash Flow	Dec-14	Dec-15	Δ \$	Δ %
	Ch\$M	Ch\$M		
Net Cash Flows from (used in) Operating Activities	66,784	51,238	(15,546)	-23.3%
Net Cash Flows from (used in) Investing Activities	(54,018)	(25,585)	28,433	-52.6%
Net Cash Flows from (used in) Financing Activities	(103,438)	(32,668)	70,769	-68.4%
Net Increase (Decrease) in Cash and Cash Equivalents before effect of Exchange Rates	(90,671)	(7,015)	83,656	-92.3%
Effect of Exchange Rate changes on Cash and Cash Equivalents	(1,600)	(3,183)	(1,583)	99.0%
Net Increase (Decrease) in Cash and Cash Equivalents	(92,271)	(10,198)	82,073	-88.9%
Cash and Cash Equivalents at beginning of period	170,861	78,590	(92,271)	-54.0%
Cash and Cash Equivalents at End of Period	78,590	68,392	(10,198)	-13.0%