

**1H12-2Q12**

**Earnings Release**



Sonda S.A.



## EARNINGS RELEASE

January 01, 2012 – June 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 June 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 June 30, 2012 (1 US\$=501.84 Chilean Pesos).

### 1. EXECUTIVE SUMMARY

SONDA totaled consolidated revenues of \$329,163 million (US\$655.9 million) for the first half of 2012, showing an increase of 27.1% YoY. Operating income<sup>1</sup> grew by 23.0%, to \$39,701 million (US\$79.1 million) and EBITDA<sup>2</sup> reached \$54,777 million (US\$109.2 million), reflecting a rise of 29.5% YoY. Net income totaled \$24,125 million (US\$48.1 million). EBITDA margin was 16.6%, up 30bp when compared to 2011.

These results are in line with regional operations' figures:

In millions of Ch\$	Revenues		EBITDA	
Chile	150,132	+45.7%	32,227	+26.4%
Brazil	108,615	+8.6%	13,090	+17.5%
Mexico	27,987	-9.4%	4,459	+30.9%
OPLA	42,430	+68.97%	5,001	+120.8%
<b>Total</b>	<b>329,163</b>	<b>+27.1%</b>	<b>54,777</b>	<b>+29.5%</b>

For 2Q12, consolidated revenues reached \$175,163 million (US\$349.0 million), up 32.7% YoY, while operating income totaled \$20,809 million (US\$41.5 million / +31.0% YoY) and EBITDA \$28,435 million (US\$56.7 million / +34.8% YoY). Net income increased by 23.4% YoY, to \$11,882 million (US\$23.7 million).

As of June 2012, ROE ended up at 15.9%. Current ratio (1.24x), financial leverage (0.63x) and financial expenses coverage (7.53x) ratios, continued reflecting a healthy financial position.

#### Highlights:

- Operations outside Chile generated revenues for \$179,031 million (US\$356.7 million), up 14.8% YoY and contributing with 54.4% of consolidated revenues. Operating income and EBITDA for these countries increased by 17.8% and 34.1%, reaching \$15,560 million (US\$31.0 million) and \$22,550 million (US\$44.9 million), respectively.
- Revenues in Brazil grew by 8.6% YoY totalizing \$108,615 million (US\$216.4 million), in line with higher EBITDA (+17.5% YoY) and 12.1% EBITDA margin (+100 bp YoY).
- In Mexico, operating income and EBITDA increased by 32.4% and 30.9% respectively, while EBITDA margin scaled up by 490 bp and reached 15.9%.
- The OPLA region showed strong figures, with \$42,430 million (US\$84.5 million / +69.0% YoY) in revenues, and higher both, operating income (+44.6% YoY) and EBITDA (+120.8% YoY). EBITDA margin reached 11.8%.
- Devaluation of main Latam's currencies to Chilean Peso during 2012, negatively affected the growth in foreign operations – specially in Brazil – where revenues in CLP increased by 8.6% YoY, while in BRL by 20.3% YoY.
- Revenues in Chile up 45.7% YoY, totaling \$150,132 million (US\$299.2 million) and EBITDA of \$32,227 million (US\$64.2 million / +26.4% YoY).
- Net income attributable to the owners of the company reached \$24,125 million (US\$48.1 million), reflecting an increase of 11.6% YoY. A decrease in financial income explains lower growth when compared to operating income performance. Excluding this effect, net income would have increased by 23.3%.
- New deals closed reached US\$641.3 million between January and June, 2012, down 9.1% YoY, due to the effect of the large scale Metrobus' project in Panama (US\$180 million). Excluding this, new deals closed would have grown by 22.0% YoY.

<sup>1</sup> Operating Income: Gross Profit – Administration Expenses

<sup>2</sup> EBITDA: Operating Income + Depreciation and Amortization

### SUMMARY: 1H12-2Q12

- Consolidated Revenues: US\$ 655.9m
- Operating Income: US\$ 79.1m
- EBITDA: US\$ 109.2m
- Net Income: US\$ 48.1m
- Revenues Growth: +27.1% YoY
- EBITDA Growth: +29.5% YoY

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Figure 1 – Consolidated Financial Statements

## CONSOLIDATED FINANCIAL STATEMENTS

## SONDA S.A.

In millions of Ch\$

INCOME STATEMENT	Jun-11	Jun-12	Dev.	Var.%
Revenues	259,029	329,163	70,134	27.1%
Cost of Sales	(202,624)	(259,319)	(56,695)	28.0%
<i>Gross Profit</i>	<i>56,405</i>	<i>69,844</i>	<i>13,439</i>	<i>23.8%</i>
Administration Expenses	(24,136)	(30,143)	(6,007)	24.9%
<b>Operating Income <sup>(1)</sup></b>	<b>32,268</b>	<b>39,701</b>	<b>7,432</b>	<b>23.0%</b>
Depreciation and Amortization	10,041	15,076	5,035	50.1%
<b>EBITDA <sup>(2)</sup></b>	<b>42,310</b>	<b>54,777</b>	<b>12,467</b>	<b>29.5%</b>
Other Income	841	1,692	851	101.3%
Other Expenses	(3,509)	(3,279)	230	-6.5%
Share of Profit (Loss) of Associates	199	309	109	54.8%
<i>Profit (Loss) From Operating Activities</i>	<i>29,800</i>	<i>38,422</i>	<i>8,622</i>	<i>28.9%</i>
Financial Income	4,036	1,498	(2,538)	-62.9%
Financial Expenses	(4,271)	(5,275)	(1,004)	23.5%
Foreign Exchange Differences	806	479	(326)	40.5%
Income (Loss) for Indexed Assets and Liabilities	(989)	(136)	853	-86.2%
<b>Other Comprehensive Income</b>	<b>(27,023)</b>	<b>(34,856)</b>	<b>(7,832)</b>	<b>29.0%</b>
Net Income Before Taxes	29,382	34,989	5,607	19.1%
Income Tax Expense	(6,800)	(8,806)	(2,006)	29.5%
Net Income from Continuing Operations	22,581	26,182	3,601	15.9%
Net Income Attributable to Minority Interest	962	2,058	1,096	113.9%
<b>Net Income Attributable to Owners of the Company</b>	<b>21,619</b>	<b>24,125</b>	<b>2,505</b>	<b>11.6%</b>
<b>BALANCE SHEET</b>	<b>Dec-11</b>	<b>Jun-12</b>	<b>Dev.</b>	<b>Var.%</b>
<b>Assets</b>	<b>580,173</b>	<b>659,595</b>	<b>79,422</b>	<b>13.7%</b>
Current Assets	274,657	298,588	23,932	8.7%
Cash and Cash Equivalents	32,936	38,184	5,248	15.9%
Trade Accounts Receivable and Other Receivables, Net	166,333	163,637	(2,696)	-1.6%
Accounts Receivable from Related Companies	13,346	13,357	11	0.1%
Inventories	26,986	32,395	5,409	20.0%
Other Assets	32,867	41,500	8,633	26.3%
Property, Plant and Equipment, Net	79,463	85,535	6,072	7.6%
Investment Properties	3,537	3,366	(172)	-4.9%
Intangibles Assets and Goodwill	169,084	219,065	49,981	29.6%
Other Assets	53,431	53,040	(391)	-0.7%
<b>Liabilities</b>	<b>268,587</b>	<b>353,907</b>	<b>85,320</b>	<b>31.8%</b>
Current Liabilities	170,393	240,501	70,108	41.1%
Other Current Financial Liabilities	36,696	104,528	67,832	184.8%
Other Liabilities	133,697	135,973	2,276	1.7%
Other Non-Current Financial Liabilities	87,196	87,170	(25)	0.0%
Other Liabilities, Non-Current	10,999	26,236	15,237	138.5%
Minority Interest	4,975	5,720	745	15.0%
<b>Total Shareholders' Equity Attributable to Owners of the Company</b>	<b>306,611</b>	<b>299,967</b>	<b>(6,644)</b>	<b>-2.2%</b>
Total Liabilities and Shareholders' Equity	580,173	659,595	79,422	13.7%

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

## 2. MANAGEMENT DISCUSSION AND ANALYSIS ON 1H12 AND 2Q12 CONSOLIDATED RESULTS

### I. CONSOLIDATED RESULTS FOR JUNE 2012 (1H12)

#### REVENUES

Consolidated revenues reached \$329,163 million (US\$655.9 million) for 1H12, up 27.1% YoY (+\$70,134 million / US\$139.8 million), mostly explained by:

- +23.1% rise (+\$33,325 million / US\$66.4 million) in revenues from IT services business, totaling \$177,484 million (US\$353.7 million), as a result of:
  - +31.4% increase in outsourcing's revenues (+\$19,405 million / US\$38.7 million), reaching \$81,161 million (US\$161.7 million)
  - +22.9% greater revenues from IT support services (+\$9,634 million / US\$19.2 million), totaling \$51,665 million (US\$103.0 million)
  - +10.6% increase in professional services and systems integration (+\$4,286 million / US\$8.5 million), to \$44,658 million (US\$89.0 million)
- growth of 42.8% (+\$37,481 million / US\$74.7 million) in platforms business, reaching \$125,027 million (US\$249.1 million), mainly as a consequence of:
  - +31.1% larger sales of HW (+\$22,988 million / US\$45.8 million), totalizing \$96,877 million (US\$193.4 million)
  - +96.7% sales of SW (+\$12,353 million / US\$24.6 million), reaching \$25,124 million (US\$50.1 million)
- application business down 2.5% (-\$673 million / -US\$1.3 million), to \$26,652 million (US\$53.1 million), due to:
  - lower sales of licences, totaling \$2,931 million (US\$5.8 million), a 29.0% decrease (-\$1,199 million / -US\$2.4 million)
  - +8.1% increase in development and maintenance (+\$861 million / US\$1.7 million), reaching \$11,523 million (US\$23.0 million)

Regarding revenue breakdown by business line, IT services business contributed with a 53.9% of consolidated revenues, applications service line provided an 8.1% and platforms business generated the remaining 38.0%.

Figure 2 – Consolidated Revenues by Business Line

CONSOLIDATED REVENUES		In millions of Ch\$		
Business Line	Jun-11	Jun-12	Dev.	Var. %
Platforms	87,546	125,027	37,481	42.8%
IT Services	144,159	177,484	33,325	23.1%
Applications	27,325	26,652	(673)	-2.5%
<b>Total</b>	<b>259,029</b>	<b>329,163</b>	<b>70,134</b>	<b>27.1%</b>
Share by Business Line	Jun-11	Jun-12		
Platforms	33.8%	38.0%		
IT Services	55.7%	53.9%		
Applications	10.5%	8.1%		
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>		

**COST OF SALES AND SELLING, GENERAL AND ADMINISTRATIVE EXPENSES**

Cost of sales totaled \$259,319 million (US\$516.7 million) for 1H12, showing an increase of 28.0% YoY, in line with higher sales.

Administration expenses reached \$30,143 million (US\$60.1 million), up 24.9% YoY, mostly explained by Quintec's consolidation since September, 2011.

**OPERATING INCOME AND EBITDA**

Operating income amounted to \$39,701 million (US\$79.1 million) increasing 23.0% YoY. Gross margin as a percentage of revenues totaled 21.2%, while operating margin was 12.1%.

EBITDA totaled \$54,777 million (US\$109.2 million / +29.5% YoY), as a product of better results for the whole company, while EBITDA margin reached 16.6%, growing by 30 bp YoY.

Figure 3 – Income Statement

	In millions of Ch\$			
<b>CONSOLIDATED INCOME STATEMENT</b>	<b>Jun-11</b>	<b>Jun-12</b>	<b>Dev.</b>	<b>Var. %</b>
Revenues	259,029	329,163	70,134	27.1%
Cost of Sales	(202,624)	(259,319)	(56,695)	28.0%
<b>Gross Profit</b>	<b>56,405</b>	<b>69,844</b>	<b>13,439</b>	<b>23.8%</b>
Administration Expenses	(24,136)	(30,143)	(6,007)	24.9%
Operating Income <sup>(1)</sup>	32,268	39,701	7,432	23.0%
<b>EBITDA <sup>(2)</sup></b>	<b>42,310</b>	<b>54,777</b>	<b>12,467</b>	<b>29.5%</b>
Net Income Attributable to Owners	21,619	24,125	2,505	11.6%
<b>FINANCIAL RATIOS</b>	<b>%</b>	<b>%</b>		
Gross Margin	21.8%	21.2%		
Operating Margin	12.5%	12.1%		
EBITDA Margin	16.3%	16.6%		
Net Margin	8.3%	7.3%		

<sup>(1)</sup> Operating Income: Gross Profit – Administration Expenses

<sup>(2)</sup> EBITDA: Operating Income + Depreciation and Amortization

**OTHER COMPREHENSIVE INCOME (Excluding Administration Expenses)**

Total other comprehensive income, excluding administration expenses, moved from a loss of \$2,877 million (-US\$5.8 million) to a loss of \$4.712 million (-US\$9.4 million), mainly due to a decrease in financial income.

**NET INCOME**

Net income attributable to the owners of the company, accumulated \$24,125 million (US\$48.1 million) as of June 30, 2012, reflecting an increase of 11.6% YoY. A decrease in financial income explains lower growth when compared to operating income performance. Excluding this effect, net income would have increased by 23.3%.

## II. CONSOLIDATED RESULTS FOR THE SECOND QUARTER OF 2012 (2Q12)

### REVENUES

Consolidated revenues reached \$175,163 million (US\$349.0 million) in 2Q12, up 32.7% YoY, mainly due to:

- larger revenues from IT services business (+19.5% YoY), totaling \$89,387 million (US\$178.1 million), driven by:
  - +38.5% increase in outsourcing's revenues (+\$12,064 million / US\$24.0 million), to \$43,428 million (US\$86.5 million)
  - +14.0% rise in revenues from IT support services (+\$3,094 million / US\$6.2 million), totalizing \$25,218 million (US\$50.3 million)
- platforms business revenues up 65.9% YoY (+\$28,778 million / US\$57.3 million) reaching \$72,440 million (US\$144.3 million), principally as a result of:
  - +50.3% larger sales of HW (+\$18,408 million / US\$36.7 million), to \$55,027 million (US\$109.7 million)
  - +139.8% larger sales of SW (+\$9,214 million / US\$18.4 million), reaching \$15,806 million (US\$31.5 million)
- applications business with total revenues down 1.1% YoY (-\$142 million / -US\$0.3 million), totalizing \$13,337 million (US\$26.6 million), primarily due to a decrease of 8.1% YoY in support and implantation services and 13.1% YoY in licenses sales

In terms of revenue breakdown by business line, IT services contributed with 51.0% of consolidated revenues during the second quarter of 2012, while applications and platforms business lines provided 7.6% and 41.4%, respectively.

Figure 4 – Consolidated Revenues by Business Line

<b>CONSOLIDATED REVENUES</b>		In millions of Ch\$		
<b>Business Line</b>	<b>2Q11</b>	<b>2Q12</b>	<b>Dev.</b>	<b>Var. %</b>
Platforms	43,661	72,440	28,778	65.9%
IT Services	74,829	89,387	14,558	19.5%
Applications	13,479	13,337	(142)	-1.1%
<b>Total</b>	<b>131,969</b>	<b>175,163</b>	<b>43,194</b>	<b>32.7%</b>
<b>Share by Business Line</b>		<b>2Q11</b>	<b>2Q12</b>	
Platforms		33.1%	41.4%	
IT Services		56.7%	51.0%	
Applications		10.2%	7.6%	
<b>Total</b>		<b>100.0%</b>	<b>100.0%</b>	

**COST OF SALES AND SELLING, GENERAL AND ADMINISTRATIVE EXPENSES**

Cost of sales amounted \$138,536 million (US\$276.1 million) for 2Q12, up 33.9% YoY, primarily as a result of higher sales.

Administration expenses totaled \$15,818 million (US\$31.5 million), growing by 25.0% YoY, mostly explained by the consolidation of Quintec, acquired in the third quarter of 2011.

**OPERATING INCOME AND EBITDA**

Operating income reached \$20,809 million (US\$41.5 million / +31.0% YoY). Gross margin as a percentage of revenues reached 20.9%, while operating margin was 11.9%.

EBITDA increased to \$28,435 million (US\$56.7 million / +34.8% YoY) for 2Q12 and EBITDA margin reached 16.2% for the period.

Figure 5 – Income Statement

In millions of Ch\$				
<b>CONSOLIDATED INCOME STATEMENT</b>	<b>2Q11</b>	<b>2Q12</b>	<b>Dev.</b>	<b>Var. %</b>
Revenues	131,969	175,163	43,194	32.7%
Cost of Sales	(103,429)	(138,536)	(35,107)	33.9%
<b>Gross Profit</b>	<b>28,540</b>	<b>36,627</b>	<b>8,087</b>	<b>28.3%</b>
Administration Expenses	(12,660)	(15,818)	(3,159)	25.0%
Operating Income <sup>(1)</sup>	15,880	20,809	4,929	31.0%
<b>EBITDA <sup>(2)</sup></b>	<b>21,094</b>	<b>28,435</b>	<b>7,341</b>	<b>34.8%</b>
Net Income Attributable to Owners	9,627	11,882	2,255	23.4%
<b>FINANCIAL RATIOS</b>	<b>%</b>	<b>%</b>		
Gross Margin	21.6%	20.9%		
Operating Margin	12.0%	11.9%		
EBITDA Margin	16.0%	16.2%		
Net Margin	7.3%	6.8%		

<sup>(1)</sup> Operating Income: Gross Profit – Administration Expenses

<sup>(2)</sup> EBITDA: Operating Income + Depreciation and Amortization

**OTHER COMPREHENSIVE INCOME (Excluding Administration Expenses)**

Total other comprehensive income, excluding administration expenses, experienced immaterial variation, moving from a loss of \$3,095 million (-US\$6.2 million) in 2Q11 to a loss of \$3,047 million (-US\$6.1 million) in 2Q12.

**NET INCOME**

Net income attributable to the owners of the Company, amounted \$11,882 million (US\$23.7 million) for 2Q12, up 23.4% YoY.

### 3. REGIONAL RESULTS FOR THE FIRST HALF OF 2012 (1H12) AND THE SECOND QUARTER OF 2012 (2Q12)

#### CHILE

Main changes in Chile between 1H11 and 1H12 are described below:

- revenues of \$150,132 million (US\$299.2 million), increasing 45.7% YoY, as a result of growth coming from IT services (+41.6% YoY) and platforms (+52.7% YoY), due to higher sales and the consolidation of Quintec's operations in Chile
- operating income reaching \$24,141 million (US\$48.1 million / +26.7% YoY) and EBITDA totaling \$32,227 million (US\$64.2 million / +26.4% YoY)
- both operating and EBITDA margin decreased from 1H11 levels, to 16.1% and 21.5%, respectively, after Quintec's consolidation

Figure 6 – Business in Chile

CHILE	In millions of Ch\$							
	Jun-11	Jun-12	Dev.	Var. %	2Q11	2Q12	Dev.	Var. %
<b>Revenues</b>	<b>103,061</b>	<b>150,132</b>	<b>47,071</b>	<b>45.7%</b>	<b>51,989</b>	<b>78,525</b>	<b>26,536</b>	<b>51.0%</b>
Platforms	47,230	72,105	24,875	52.7%	24,304	37,726	13,423	55.2%
IT Services	50,818	71,980	21,161	41.6%	25,403	37,471	12,068	47.5%
Applications	5,014	6,048	1,034	20.6%	2,283	3,328	1,045	45.8%
Cost of Sales	(75,995)	(112,759)	(36,765)	48.4%	(38,770)	(59,580)	(20,809)	53.7%
<b>Gross Profit</b>	<b>27,067</b>	<b>37,373</b>	<b>10,306</b>	<b>38.1%</b>	<b>13,219</b>	<b>18,946</b>	<b>5,727</b>	<b>43.3%</b>
Administration Expenses	(8,007)	(13,232)	(5,225)	65.3%	(4,520)	(7,067)	(2,547)	56.3%
<b>Operating Income <sup>(1)</sup></b>	<b>19,060</b>	<b>24,141</b>	<b>5,081</b>	<b>26.7%</b>	<b>8,699</b>	<b>11,879</b>	<b>3,180</b>	<b>36.6%</b>
<b>EBITDA <sup>(2)</sup></b>	<b>25,498</b>	<b>32,227</b>	<b>6,730</b>	<b>26.4%</b>	<b>11,927</b>	<b>15,916</b>	<b>3,989</b>	<b>33.4%</b>
Operating Margin	18.5%	16.1%			16.7%	15.1%		
EBITDA Margin	24.7%	21.5%			22.9%	20.3%		

<sup>(1)</sup> Operating Income: Gross Profit – Administration Expenses

<sup>(2)</sup> EBITDA: Operating Income + Depreciation and Amortization

Main changes in Chile between 2Q11 and 2Q12 are described below:

- \$78,525 million (US\$156.5 million / +51.0% YoY) in revenues for 2Q12, in line with higher revenues coming from all business lines: platforms (+55.2% YoY), IT services (+47.5% YoY) and applications (+45.8%)
- operating income of \$11,879 million (US\$23.7 million), increasing 36.6% YoY, due to higher gross profit (+43.3% YoY)
- EBITDA totaling \$15,916 million (US\$31.7 million), with a 33.4% rise, and EBITDA margin down to 20.3% when compared with 22.9% in 2Q11, mainly as a consequence of Quintec's consolidation



**BRAZIL**

Main changes in Brazil between 1H11 and 1H12 are described below:

- revenues totaling \$108.615 million (US\$216.4 million), up 8.6% YoY, primarily due to the growth from IT services (+7.0% YoY), due to higher demand from existing contracts, and platforms (+40.1% YoY), positively influenced by PARS and Elucid consolidation. Revenues in local currency (BRL) increased by 20.3%
- operating income reached \$10,320 million (US\$20.6 million / +10.2% YoY), while EBITDA grew by 17.5% YoY, to \$13,090 million (US\$26.1 million)
- operating margin and EBITDA margin were 9.5% and 12.1%, increasing by 10bp and 100 bp, respectively

Figure 7 – Business in Brazil

BRASIL	In millions of Ch\$							
	Jun-11	Jun-12	Dev.	Var. %	2Q11	2Q12	Dev.	Var. %
<b>Revenues</b>	<b>99,971</b>	<b>108,615</b>	<b>8,644</b>	<b>8.6%</b>	<b>52,907</b>	<b>58,571</b>	<b>5,664</b>	<b>10.7%</b>
Platforms	15,398	21,576	6,178	40.1%	8,650	16,523	7,874	91.0%
IT Services	65,475	70,047	4,573	7.0%	34,585	33,528	(1,057)	-3.1%
Applications	19,098	16,992	(2,106)	-11.0%	9,672	8,520	(1,153)	-11.9%
Cost of Sales	(79,809)	(88,863)	(9,055)	11.3%	(42,219)	(47,485)	(5,266)	12.5%
<b>Gross Profit</b>	<b>20,162</b>	<b>19,752</b>	<b>(411)</b>	<b>-2.0%</b>	<b>10,689</b>	<b>11,086</b>	<b>398</b>	<b>3.7%</b>
Administration Expenses	(10,801)	(9,431)	1,370	-12.7%	(5,568)	(4,930)	637	-11.4%
<b>Operating Income <sup>(1)</sup></b>	<b>9,361</b>	<b>10,320</b>	<b>959</b>	<b>10.2%</b>	<b>5,121</b>	<b>6,156</b>	<b>1,035</b>	<b>20.2%</b>
<b>EBITDA <sup>(2)</sup></b>	<b>11,140</b>	<b>13,090</b>	<b>1,949</b>	<b>17.5%</b>	<b>6,084</b>	<b>7,547</b>	<b>1,463</b>	<b>24.0%</b>
Operating Margin	9.4%	9.5%			9.7%	10.5%		
EBITDA Margin	11.1%	12.1%			11.5%	12.9%		

<sup>(1)</sup> Operating Income: Gross Profit – Administration Expenses

<sup>(2)</sup> EBITDA: Operating Income + Depreciation and Amortization

Main changes in Brazil between 2Q11 and 2Q12 are described below:

- revenues reaching \$58,571 million (US\$116.7 million), growing 10.7% YoY, explained by improvements coming from platforms business (+91.0% YoY) mostly, offsetting lower revenues from both applications (-11.9% YoY) and IT services (-3.1% YoY)
- operating income and EBITDA reaching \$6,156 million (US\$12.3 million) and \$7,547 million (US\$15.0 million), increasing by 20.2% and 24.0% YoY, respectively
- higher both operating and EBITDA margin, at 10.5% and 12.9% for 2Q12, from 9.7% and 11.5% in 2Q11, respectively

**MEXICO**

Main changes in Mexico between 1H11 and 1H12 are described below:

- revenues down 9.4% YoY, totaling \$27,987 million (US\$55.8 million), as a result of lower activity in the value platforms business (-19.8% YoY), due to a large scale project developed in 2011. Excluding this effects, revenues would have grown by 11.5%
- operating income of \$3,505 million (US\$7.0 million / +32.4% YoY) and \$4,459 million (US\$8.9 million / +30.9% YoY) in EBITDA
- operating margin reached 12.5%, over the 8.6% obtained on the previous period, while EBITDA margin grew 490 bp, to 15.9%

Figure 8 – Business in Mexico

In millions of Ch\$								
MÉXICO	Jun-11	Jun-12	Dev.	Var. %	2Q11	2Q12	Dev.	Var. %
<b>Revenues</b>	<b>30,885</b>	<b>27,987</b>	<b>(2,899)</b>	<b>-9.4%</b>	<b>14,480</b>	<b>14,149</b>	<b>(331)</b>	<b>-2.3%</b>
Platforms	15,560	12,481	(3,079)	-19.8%	6,412	6,711	299	4.7%
IT Services	15,003	15,224	220	1.5%	8,016	7,388	(628)	-7.8%
Applications	322	282	(39)	-12.3%	52	50	(2)	-4.4%
Cost of Sales	(25,350)	(21,277)	4,073	-16.1%	(11,832)	(10,831)	1,001	-8.5%
<b>Gross Profit</b>	<b>5,535</b>	<b>6,709</b>	<b>1,174</b>	<b>21.2%</b>	<b>2,648</b>	<b>3,318</b>	<b>670</b>	<b>25.3%</b>
Administration Expenses	(2,887)	(3,204)	(317)	11.0%	(1,334)	(1,542)	(208)	15.6%
<b>Operating Income <sup>(1)</sup></b>	<b>2,648</b>	<b>3,505</b>	<b>857</b>	<b>32.4%</b>	<b>1,314</b>	<b>1,776</b>	<b>463</b>	<b>35.2%</b>
<b>EBITDA <sup>(2)</sup></b>	<b>3,407</b>	<b>4,459</b>	<b>1,053</b>	<b>30.9%</b>	<b>1,706</b>	<b>2,242</b>	<b>536</b>	<b>31.4%</b>
Operating Margin	8.6%	12.5%			9.1%	12.6%		
EBITDA Margin	11.0%	15.9%			11.8%	15.8%		

<sup>(1)</sup> Operating Income: Gross Profit – Administration Expenses

<sup>(2)</sup> EBITDA: Operating Income + Depreciation and Amortization

Main changes in Mexico between 2Q11 and 2Q12 are described below:

- revenues for \$14,149 million (US\$28.2 million), a 2.3% YoY decrease, as a result of lower activity in the IT services business line (-7.8% YoY) due to lack of revenues coming from a large scale project developed in 2011
- operating income, reaching \$1,776 million (US\$3.5 million), 35.2% up from 2Q11 figures and EBITDA growing by 31.4% YoY, to \$2,242 million (US\$4.5 million)
- operating margin was 12.6%, while EBITDA margin reached 15.8%, with significant improvements when compared to 2Q11 (+350bp and +410bp, respectively)

**OPLA (Other countries in Latin America)**

Main changes in OPLA (which includes Argentina, Colombia, Costa Rica, Ecuador, Peru, Panama and Uruguay) between 1H11 and 1H12 are described below:

- 69.0% increase in revenues, to \$42,430 million (US\$84.5 million), due to higher results in all business lines: IT services (+57.3% YoY), platforms (+101.6% YoY) and applications (+15.2% YoY). These figures are explained by good results in all the 7 countries of this region, Quintec's consolidation and beginning of operations of the Metrobus' project in Panama in Feb-12
- growth in both operating income and EBITDA, to \$1,734 million (US\$3.5 million) and \$5,001 million (US\$10.0 million), improving 44.6% and 120.8% YoY, respectively
- EBITDA margin reached 11.8%, 280 bp up YoY

Figure 9 –Business in OPLA

OPLA	In millions of Ch\$							
	Jun-11	Jun-12	Dev.	Var. %	2Q11	2Q12	Dev.	Var. %
<b>Revenues</b>	<b>25,111</b>	<b>42,430</b>	<b>17,318</b>	<b>69.0%</b>	<b>12,593</b>	<b>23,918</b>	<b>11,325</b>	<b>89.9%</b>
Platforms	9,358	18,866	9,508	101.6%	4,296	11,479	7,183	167.2%
IT Services	12,862	20,234	7,371	57.3%	6,825	11,000	4,175	61.2%
Applications	2,891	3,330	439	15.2%	1,472	1,439	(32)	-2.2%
Cost of Sales	(21,471)	(36,419)	(14,948)	69.6%	(10,609)	(20,641)	(10,033)	94.6%
<b>Gross Profit</b>	<b>3,640</b>	<b>6,010</b>	<b>2,370</b>	<b>65.1%</b>	<b>1,984</b>	<b>3,277</b>	<b>1,292</b>	<b>65.1%</b>
Administration Expenses	(2,441)	(4,276)	(1,835)	75.2%	(1,237)	(2,279)	(1,042)	84.2%
<b>Operating Income <sup>(1)</sup></b>	<b>1,200</b>	<b>1,734</b>	<b>535</b>	<b>44.6%</b>	<b>747</b>	<b>998</b>	<b>251</b>	<b>33.6%</b>
<b>EBITDA <sup>(2)</sup></b>	<b>2,265</b>	<b>5,001</b>	<b>2,735</b>	<b>120.8%</b>	<b>1,376</b>	<b>2,730</b>	<b>1,354</b>	<b>98.4%</b>
Operating Margin	4.8%	4.1%			5.9%	4.2%		
EBITDA Margin	9.0%	11.8%			10.9%	11.4%		

<sup>(1)</sup> Operating Income: Gross Profit – Administration Expenses

<sup>(2)</sup> EBITDA: Operating Income + Depreciation and Amortization

Main changes in OPLA between 2Q11 and 2Q12 are described below:

- 89.9% increase in revenues, to \$23,918 million (US\$47.7 million), due to higher results in both platforms and IT services business (+167.2% / +61.2% YoY), offsetting the 2.2% decrease in applications
- operating income of \$998 million (US\$2.0 million / +33.6% YoY) and EBITDA of \$2,730 million (US\$5.4 million / +98.4% YoY)
- operating margin totaled 4.2%, while EBITDA margin reached 11.4%, improving by 50 bp

Figure 10 – Regional Summary

REGIONAL SUMMARY	In millions of Ch\$							
	Jun-11	Jun-12	Dev.	Var. %	2Q11	2Q12	Dev.	Var. %
<b>CHILE</b>								
<b>Revenues</b>	<b>103,061</b>	<b>150,132</b>	<b>47,071</b>	<b>45.7%</b>	<b>51,989</b>	<b>78,525</b>	<b>26,536</b>	<b>51.0%</b>
Platforms	47,230	72,105	24,875	52.7%	24,304	37,726	13,423	55.2%
IT Services	50,818	71,980	21,161	41.6%	25,403	37,471	12,068	47.5%
Applications	5,014	6,048	1,034	20.6%	2,283	3,328	1,045	45.8%
Cost of Sales	(75,995)	(112,759)	(36,765)	48.4%	(38,770)	(59,580)	(20,809)	53.7%
<b>Gross Profit</b>	<b>27,067</b>	<b>37,373</b>	<b>10,306</b>	<b>38.1%</b>	<b>13,219</b>	<b>18,946</b>	<b>5,727</b>	<b>43.3%</b>
Administration Expenses	(8,007)	(13,232)	(5,225)	65.3%	(4,520)	(7,067)	(2,547)	56.3%
<b>Operating Income <sup>(1)</sup></b>	<b>19,060</b>	<b>24,141</b>	<b>5,081</b>	<b>26.7%</b>	<b>8,699</b>	<b>11,879</b>	<b>3,180</b>	<b>36.6%</b>
<b>EBITDA <sup>(2)</sup></b>	<b>25,498</b>	<b>32,227</b>	<b>6,730</b>	<b>26.4%</b>	<b>11,927</b>	<b>15,916</b>	<b>3,989</b>	<b>33.4%</b>
Operating Margin	18.5%	16.1%			16.7%	15.1%		
EBITDA Margin	24.7%	21.5%			22.9%	20.3%		
<b>BRASIL</b>								
<b>Revenues</b>	<b>99,971</b>	<b>108,615</b>	<b>8,644</b>	<b>8.6%</b>	<b>52,907</b>	<b>58,571</b>	<b>5,664</b>	<b>10.7%</b>
Platforms	15,398	21,576	6,178	40.1%	8,650	16,523	7,874	91.0%
IT Services	65,475	70,047	4,573	7.0%	34,585	33,528	(1,057)	-3.1%
Applications	19,098	16,992	(2,106)	-11.0%	9,672	8,520	(1,153)	-11.9%
Cost of Sales	(79,809)	(88,863)	(9,055)	11.3%	(42,219)	(47,485)	(5,266)	12.5%
<b>Gross Profit</b>	<b>20,162</b>	<b>19,752</b>	<b>(411)</b>	<b>-2.0%</b>	<b>10,689</b>	<b>11,086</b>	<b>398</b>	<b>3.7%</b>
Administration Expenses	(10,801)	(9,431)	1,370	-12.7%	(5,568)	(4,930)	637	-11.4%
<b>Operating Income <sup>(1)</sup></b>	<b>9,361</b>	<b>10,320</b>	<b>959</b>	<b>10.2%</b>	<b>5,121</b>	<b>6,156</b>	<b>1,035</b>	<b>20.2%</b>
<b>EBITDA <sup>(2)</sup></b>	<b>11,140</b>	<b>13,090</b>	<b>1,949</b>	<b>17.5%</b>	<b>6,084</b>	<b>7,547</b>	<b>1,463</b>	<b>24.0%</b>
Operating Margin	9.4%	9.5%			9.7%	10.5%		
EBITDA Margin	11.1%	12.1%			11.5%	12.9%		
<b>MÉXICO</b>								
<b>Revenues</b>	<b>30,885</b>	<b>27,987</b>	<b>(2,899)</b>	<b>-9.4%</b>	<b>14,480</b>	<b>14,149</b>	<b>(331)</b>	<b>-2.3%</b>
Platforms	15,560	12,481	(3,079)	-19.8%	6,412	6,711	299	4.7%
IT Services	15,003	15,224	220	1.5%	8,016	7,388	(628)	-7.8%
Applications	322	282	(39)	-12.3%	52	50	(2)	-4.4%
Cost of Sales	(25,350)	(21,277)	4,073	-16.1%	(11,832)	(10,831)	1,001	-8.5%
<b>Gross Profit</b>	<b>5,535</b>	<b>6,709</b>	<b>1,174</b>	<b>21.2%</b>	<b>2,648</b>	<b>3,318</b>	<b>670</b>	<b>25.3%</b>
Administration Expenses	(2,887)	(3,204)	(317)	11.0%	(1,334)	(1,542)	(208)	15.6%
<b>Operating Income <sup>(1)</sup></b>	<b>2,648</b>	<b>3,505</b>	<b>857</b>	<b>32.4%</b>	<b>1,314</b>	<b>1,776</b>	<b>463</b>	<b>35.2%</b>
<b>EBITDA <sup>(2)</sup></b>	<b>3,407</b>	<b>4,459</b>	<b>1,053</b>	<b>30.9%</b>	<b>1,706</b>	<b>2,242</b>	<b>536</b>	<b>31.4%</b>
Operating Margin	8.6%	12.5%			9.1%	12.6%		
EBITDA Margin	11.0%	15.9%			11.8%	15.8%		
<b>OPLA</b>								
<b>Revenues</b>	<b>25,111</b>	<b>42,430</b>	<b>17,318</b>	<b>69.0%</b>	<b>12,593</b>	<b>23,918</b>	<b>11,325</b>	<b>89.9%</b>
Platforms	9,358	18,866	9,508	101.6%	4,296	11,479	7,183	167.2%
IT Services	12,862	20,234	7,371	57.3%	6,825	11,000	4,175	61.2%
Applications	2,891	3,330	439	15.2%	1,472	1,439	(32)	-2.2%
Cost of Sales	(21,471)	(36,419)	(14,948)	69.6%	(10,609)	(20,641)	(10,033)	94.6%
<b>Gross Profit</b>	<b>3,640</b>	<b>6,010</b>	<b>2,370</b>	<b>65.1%</b>	<b>1,984</b>	<b>3,277</b>	<b>1,292</b>	<b>65.1%</b>
Administration Expenses	(2,441)	(4,276)	(1,835)	75.2%	(1,237)	(2,279)	(1,042)	84.2%
<b>Operating Income <sup>(1)</sup></b>	<b>1,200</b>	<b>1,734</b>	<b>535</b>	<b>44.6%</b>	<b>747</b>	<b>998</b>	<b>251</b>	<b>33.6%</b>
<b>EBITDA <sup>(2)</sup></b>	<b>2,265</b>	<b>5,001</b>	<b>2,735</b>	<b>120.8%</b>	<b>1,376</b>	<b>2,730</b>	<b>1,354</b>	<b>98.4%</b>
Operating Margin	4.8%	4.1%			5.9%	4.2%		
EBITDA Margin	9.0%	11.8%			10.9%	11.4%		

<sup>(1)</sup> Operating Income: Gross Profit – Administration Expenses

<sup>(2)</sup> EBITDA: Operating Income + Depreciation and Amortization

#### 4. ANALYSIS OF CONSOLIDATED BALANCE SHEET

##### ASSETS

Total assets amounted \$659,595 million (US\$1,314.4 million) as of June 30, 2012, with a rise of 13.7% when compared to December 31, 2011. This is mainly explained by increases in:

- other current assets for \$15,960 million (US\$31.8 million), to \$51,016 million (US\$101.7 million), mainly due to PARS and Elucid consolidation
- property, plant and equipment, for \$6,072 million (US\$12.1 million), totaling \$85,535 million (US\$170.4 million), primarily related to the construction of a new datacenter in Chile
- intangible assets and goodwill, for \$49,981 million (US\$99.6 million), as a consequence of PARS and Elucid acquisitions, reaching \$219,065 million (US\$436.5 million)

The company continues showing a healthy liquidity position as of June 30, 2012, with a current ratio of 1.24x. Working capital reached \$58,087 million (US\$115.7 million).

##### LIABILITIES

Total liabilities reached \$353,907 million (US\$705.2 million) as of June 30, 2012, reflecting a rise of 31.8% regarding December 2011, in line with:

- +41.1% growth in current liabilities, when compared to December 31, 2011, with a final balance of \$232,575 million (US\$463.5 million), primarily due to financing from banks related to the company investment plan

Debt level remained stable at the end of June 2012, with a 1.18x leverage ratio (total liabilities / equity), a 0.63x financial leverage ratio (financial liabilities / equity) and 7.53x financial expenses coverage ratio (EBITDA / financial expenses).

##### SHAREHOLDER'S EQUITY

Shareholders' equity attributable to the owners of the company, reached \$299,967 million (US\$597.7 million) as of June 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 15.9%.

Figure 11 – Financial Ratios Summary

CONSOLIDATED FINANCIAL RATIOS		Jun-11	Jun-12	Var % Jun-12 Jun-11	Dec-11	Var % Jun-12 Dec-11
<b>Liquidity</b>						
Current Ratio (Current Assets / Current Liabilities)	(times)	1.99	1.24	-37.7%	1.61	-23.0%
Quick Ratio (Current Assets - Invent. - Others <sup>(*)</sup> / Current Liabilities)	(times)	1.54	0.98	-36.5%	1.26	-22.6%
Working Capital (Current Assets - Current Liabilities)	Million Ch\$	125,923	58,087	-53.9%	104,264	-44.3%
<b>Indebtedness</b>						
Leverage (Current Liabilities + Non-Current Liabilities) / Equity	(times)	0.69	1.18	70.3%	0.88	34.7%
Short-Term Debt (Current Liabilities / Total Liabilities)	(times)	0.59	0.68	15.4%	0.63	7.1%
Long-Term Debt (Non-Current Liabilities / Total Liabilities)	(times)	0.41	0.32	-22.1%	0.37	-12.4%
Financial-Expenses-Coverage Ratio (EBITDA / Financial Expenses)	(times)	7.56	7.53	-0.4%	7.55	-0.3%
<b>Profitability</b>						
ROE <sup>(**)</sup> (Net Income attrib.to Owners / Equity attrib.to Owners, average)	%	14.4%	15.9%	10.8%	13.6%	17.1%
ROA <sup>(**)</sup> (Net Income attrib.to Owners of Comp. / Assets, average)	%	8.3%	7.8%	-6.7%	7.5%	4.2%
Earnings per Share <sup>(**)</sup> <sup>(***)</sup> (Net Income attrib.to Owners of Comp. / Total Shares)	Ch\$	56.1	62.6	11.6%	52.7	18.8%
Dividend Yield <sup>(****)</sup> (Dividends Paid / Closing Market Stock Price)	%	1.7%	1.9%	10.7%	1.9%	-2.0%

(\*) 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 Jun-11, Dec-11 and Jun-12.

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

- Jun-12: average between Jun-12 and Dec-11
- Jun-11: average between Jun-11 and Dec-10
- Dec-11: average between Dec-11 and Dec-10

**STATEMENTS OF CASH FLOW**

Cash and Cash Equivalents at End of Period totaled \$38,184 million (US\$76.1 million) in Jun-12, compared to \$17,090 million (US\$34.1 million) as of June 30, 2011.

The Operating Cash Flow was \$20,387 million (US\$34.9 million) as of June 30, 2012, as a result of collection activities net of payments to suppliers, employees and taxes.

Investment Cash Flow, in the first half of 2012, was \$69,240 million (US\$140.0 million), an increase of \$53,563 million (US\$106.7 million) when compared to Jun-11, mainly due to PARS and Elucid's acquisitions. CAPEX totaled \$69,838 million (US\$139.2 million), with net permanent investments of \$53,687 million (US\$107.0 million) and \$16,151 million (US\$32.2 million) in the incorporation of fixed assets and the construction of a new datacenter in Chile.

The Financing Cash Flow was \$55,522 million (US\$110.6 million) mainly as a consequence of the funding obtained to concrete the company's investment plan.

Figure 12 – Statements of Cash Flow

<b>STATEMENTS OF CASH FLOW</b>	In millions of Ch\$			
	<b>Jun-11</b>	<b>Jun-12</b>	<b>Dev.</b>	<b>Var. %</b>
Net Cash Flows from (used in) Operating Activities	2,406	20,387	17,981	747.4%
Net Cash Flows from (used in) Investing Activities	(15,677)	(69,240)	(53,563)	341.7%
Net Cash Flows from (used in) Financing Activities	9,527	55,522	45,995	482.8%
<b>Net Increase (Decrease) in Cash and Cash Equivalents before effect of Exchange Rates</b>	<b>(3,744)</b>	<b>6,670</b>	<b>10,414</b>	<b>-278.1%</b>
Effect of Exchange Rate changes on Cash and Cash Equivalents	(287)	(1,421)	(1,134)	395.5%
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(4,031)</b>	<b>5,248</b>	<b>9,279</b>	<b>-230.2%</b>
Cash and Cash Equivalents at beginning of period	21,121	32,936	11,815	55.9%
<b>Cash and Cash Equivalents at End of Period</b>	<b>17,090</b>	<b>38,184</b>	<b>21,094</b>	<b>123.4%</b>