



# **EARNINGS RELEASE**

**SONDA S.A.**

September 2013

## Earnings Release

January 01, 2013 – September 30, 2013

### SUMMARY: 9M13-3Q13

- ❖ Consolidated Revenues:  
**US\$973.7 million**
- ❖ Operating Income:  
**US\$121.1 million**
- ❖ EBITDA:  
**US\$ 165.5 million**
- ❖ Net Income:  
**US\$88.1 million**
- ❖ EBITDA Margin:  
**17.0%**
- ❖ Net Margin:  
**9.0%**

SONDA S.A. (Santiago Stock Exchange: SONDA), the leading Latin American owned private-sector IT Services provider, announces its consolidated financial results for the first nine months of 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 September 30, 2013 (1 US\$ = 504.20 Chilean Pesos).

### 1. EXECUTIVE SUMMARY

SONDA had consolidated revenues of \$490,917 million (US\$973.7 million) for the first nine months of 2013, showing a decrease of 1.3% YoY. Operating income grew by 0.5%, to \$61,045 million (US\$121.1 million) and EBITDA reached \$83,454 million (US\$165.5 million) lower by 0.2% than 9M2012. Net income totaled \$44,428 million (US\$88.1 million), an increase of 35.4%. EBITDA margin was 17.0%, up 20bp when compared to first nine months of 2012.

Regional results:

Region	Revenues		EBITDA	
	Ch\$M	Δ YY	Ch\$M	Δ YY
Chile	218,641	-1.8%	43,588	-6.3%
Brazil	162,261	-4.4%	20,056	-8.6%
Mexico	45,709	+6.3%	7,434	+5.1%
OPLA	64,306	+3.6%	12,376	+52.9%
<b>Total</b>	<b>490,917</b>	<b>-1.3%</b>	<b>83,454</b>	<b>-0.2%</b>

Highlights:

- ❖ The devaluation of Latam currencies against the Chilean Peso has had a negative effect on the translation of the foreign subsidiaries income statements from functional to reporting currency, in particular in Brazil. Indeed, excluding this effect, consolidated revenues for the first nine months of 2013 would have reached US\$1,014.9 million growing by 2.9% YoY, while EBITDA would have reached US\$170.3 million, growing by 2.7% YoY.

- ❖ Operations outside Chile generated revenues for \$272.276 million (US\$540.0 million), contributing 55.5% of consolidated revenues. The exchange rate fluctuations also had an effect on the combined results of operations outside Chile, where, revenues were down by 0.9%; without this effect, revenues would have increased by 6.5% YoY.

- ❖ For the operations outside of Chile, operating income decreased by 0.3% reaching \$26,250 million (US\$52.1 million) and EBITDA totaled \$39,866 million (US\$79.1 million) growing by 7.5% YoY. EBITDA margin was 14.6% in 9M13, up 110bp, when compared to the same period of 2012. Without the translation effects, EBITDA would have grown by 13.9%.

- ❖ For 3Q13, operations outside Chile reached a 15.0% EBITDA margin, contributing with a 50.5% of total EBITDA and 56.1% of total revenues.

- ❖ Revenues in Brazil totaled \$162,261 million (US\$321.8 million) decreasing by 4.4% YoY, EBITDA reached \$20,056 million (US\$39.8 million) lower by 8.6% YoY. Without translation effects, revenues in Brazil would have grown by 5.9% and EBITDA by 0.7% for 9M13.

- ❖ In Mexico, revenues and EBITDA reached \$45,709 million (US\$90.7) and \$7,434 million (US\$14.7) growing by 6.3% and 5.1% respectively.

- ❖ OPLA reached \$64,306 million (US\$127.5 million) in revenues, increasing by 3.6%, and EBITDA was up by +52.9% YoY. EBITDA margin reached 19.2%, 620bp higher than in the same period of last year.

- ❖ Net income attributable to the owners of the company was \$44,428 million (US\$88.1 million), reflecting an increase of 35.4% YoY.

- ❖ New business closed during the first nine months of 2013 reached US\$904.0 million, decreasing by 3.2% YoY.

### IR Team:

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Figure 1 – Consolidated Financial Statements

**Consolidated Financial Statements**  
**SONDA S.A.**

Millions of Ch\$ (Ch\$M)				
<b>Income Statement</b>	<b>Sep-12</b>	<b>Sep-13</b>	<b>Δ \$</b>	<b>Δ %</b>
Revenues	497,421	490,917	(6,504)	-1.3%
Cost of Sales	(391,592)	(386,280)	5,312	-1.4%
<b>Gross Profit</b>	<b>105,830</b>	<b>104,637</b>	<b>(1,192)</b>	<b>-1.1%</b>
Administration Expenses	(45,115)	(43,592)	1,522	-3.4%
<b>Operating Income <sup>(1)</sup></b>	<b>60,715</b>	<b>61,045</b>	<b>330</b>	<b>0.5%</b>
Depreciation and Amortization	22,918	22,410	(509)	-2.2%
<b>EBITDA <sup>(2)</sup></b>	<b>83,633</b>	<b>83,454</b>	<b>(179)</b>	<b>-0.2%</b>
Other Income	1,813	7,061	5,248	289.6%
Other Expenses	(6,978)	(7,634)	(656)	9.4%
<b>Profit (Loss) From Operating Activities</b>	<b>55,550</b>	<b>60,472</b>	<b>4,922</b>	<b>8.9%</b>
Financial Income	2,174	5,663	3,489	160.5%
Financial Expenses	(8,645)	(5,231)	3,414	-39.5%
Share of Profit (Loss) of Associates	548	191	(357)	-65.2%
Foreign Exchange Differences	(524)	185	709	-135.2%
Income (Loss) for Indexed Assets and Liabilities	(660)	266	925	-140.3%
<b>Net Income Before Taxes</b>	<b>48,443</b>	<b>61,545</b>	<b>13,102</b>	<b>27.0%</b>
Income Tax Expense	(13,108)	(15,192)	(2,084)	15.9%
<b>Net Income from Continuing Operations</b>	<b>35,335</b>	<b>46,353</b>	<b>11,018</b>	<b>31.2%</b>
Net Income Attributable to Minority Interest	2,517	1,925	(592)	-23.5%
<b>Net Income Attributable to Owners of the Company</b>	<b>32,818</b>	<b>44,428</b>	<b>11,610</b>	<b>35.4%</b>
<b>Balance Sheet</b>	<b>Dec-12</b>	<b>Sep-13</b>	<b>Δ \$</b>	<b>Δ %</b>
Cash and Cash Equivalents	61,310	162,314	101,004	164.7%
Other Current Financial Assets	4,504	2,529	(1,975)	-43.9%
Trade Accounts Receivable and Other Receivables, Net	158,699	136,537	(22,162)	-14.0%
Accounts Receivable from Related Companies	14,623	4,961	(9,662)	-66.1%
Inventories	28,036	31,890	3,854	13.7%
Other Current Assets	36,797	42,770	5,973	16.2%
<b>Current Assets</b>	<b>303,968</b>	<b>381,000</b>	<b>77,032</b>	<b>25.3%</b>
Intangibles Assets and Goodwill	235,879	229,075	(6,804)	-2.9%
Property, Plant and Equipment, Net	89,113	92,723	3,610	4.1%
Other Non-currents Assets	64,549	39,332	(25,218)	-39.1%
<b>Non-current Assets</b>	<b>389,542</b>	<b>361,130</b>	<b>(28,411)</b>	<b>-7.3%</b>
<b>Assets</b>	<b>693,509</b>	<b>742,130</b>	<b>48,621</b>	<b>7.0%</b>
Other Current Financial Liabilities	21,709	23,500	1,790	8.2%
Other Liabilities	146,836	145,099	(1,737)	-1.2%
<b>Current Liabilities</b>	<b>168,545</b>	<b>168,599</b>	<b>53</b>	<b>0.0%</b>
Other Non-current Financial Liabilities	83,814	78,488	(5,326)	-6.4%
Other Liabilities, Non-Current	42,642	30,502	(12,140)	-28.5%
<b>Non-current Liabilities</b>	<b>126,456</b>	<b>108,990</b>	<b>(17,466)</b>	<b>-13.8%</b>
<b>Liabilities</b>	<b>295,001</b>	<b>277,589</b>	<b>(17,412)</b>	<b>-5.9%</b>
Minority Interest	4,737	4,946	209	4.4%
<b>Total Shareholders' Equity Attributable to Owners of the Company</b>	<b>393,771</b>	<b>459,595</b>	<b>65,824</b>	<b>16.7%</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>693,509</b>	<b>742,130</b>	<b>48,621</b>	<b>7.0%</b>

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

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

## MANAGEMENT DISCUSSION AND ANALYSIS ON 9M13 AND 3Q13 CONSOLIDATED RESULTS

### I. Consolidated Results for 9M13

#### Revenues

Consolidated revenues reached \$490,917 million (US\$973.7 million) for the first nine months of 2013, lower by 1.3% YoY (\$6,504 million / US\$12.9 million).

The devaluation of Latam currencies against the Chilean Peso has had a negative effect on the translation of the foreign subsidiaries income statements from functional to reporting currency, in particular in Brazil. Indeed, excluding this effect, consolidated revenues for the first nine months of 2013 would have reached US\$1,014.9 million growing by 2.9% YoY.

Main variations in the period were the following:

- ❖ +1.1% rise (+\$2,965 million / +US\$5.9 million) in revenues from IT Services business, totaling \$268,674 million (US\$532.9 million), as a result of new contracts and projects, mostly in OPLA and Mexico. Excluding the effect of exchange rate fluctuations, consolidated IT Services revenues would have grown by 6.1% YoY.
- ❖ Application business revenues declined by 5.5% (-\$2,286 million / -US\$4.5 million), to \$39,341 million (US\$78.0 million), mainly due to lower revenues from the Brazilian operations. Excluding the effect of exchange rate fluctuations, consolidated Application business revenues would have grown by 1.3% YoY.
- ❖ Decrease of 3.8% (-\$7,184 million / -US\$14.2 million) in Platforms business, reaching \$182,902 million (US\$362.8 million). Excluding the effect of exchange rate fluctuations, consolidated Platforms business revenues would have fallen by 1.3% YoY.

Regarding the revenue breakdown by business line, IT Services contributed 54.7% of consolidated revenues, Applications 8.0% and Platforms the remaining 37.3%.

Figure 2 – Consolidated Revenues by Business Line

Consolidated Revenues by Business Line	Sep-12	Sep-13	Δ \$	Δ %
	Ch\$M	Ch\$M		
Platforms	190,086	182,902	(7,184)	-3.8%
IT Services	265,709	268,674	2,965	1.1%
Applications	41,627	39,341	(2,286)	-5.5%
<b>Total</b>	<b>497,421</b>	<b>490,917</b>	<b>(6,504)</b>	<b>-1.3%</b>
<b>Breakdown</b>				
Platforms	38.2%	37.3%		
IT Services	53.4%	54.7%		
Applications	8.4%	8.0%		
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>		

#### Cost of Sales and Selling, General and Administrative Expenses

Cost of sales totaled \$386,280 million (US\$766.1 million) for 9M13, showing a decrease of 1.4% YoY, slightly higher than the decrease in revenues.

Administration expenses reached \$43,592 million (US\$86.5 million), 3.4% lower than the same period of last.

Figure 3 – Income Statement

Summary of Consolidated Income Statement	Sep-12	Sep-13	Δ \$	Δ %
	Ch\$M	Ch\$M		
Revenues	497,421	490,917	(6,504)	-1.3%
Cost of Sales	(391,592)	(386,280)	5,312	-1.4%
<b>Gross Profit</b>	<b>105,830</b>	<b>104,637</b>	<b>(1,192)</b>	<b>-1.1%</b>
Administration Expenses	(45,115)	(43,592)	1,522	-3.4%
Operating Income <sup>(1)</sup>	60,715	61,045	330	0.5%
<b>EBITDA <sup>(2)</sup></b>	<b>83,633</b>	<b>83,454</b>	<b>(179)</b>	<b>-0.2%</b>
Net Income Attributable to Owners	32,818	44,428	11,610	35.4%
<b>Financial Ratios</b>				
Gross Margin	21.3%	21.3%		
Operating Margin	12.2%	12.4%		
EBITDA Margin	16.8%	17.0%		
Net Margin	6.6%	9.0%		

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

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

### Operating Income and Ebitda

Operating income amounted to \$61,045 million (US\$121.1 million), increasing 0.5% YoY. Gross margin as a percentage of revenues totaled 21.3% in line with 9M12, and operating margin was 12.4%, improving by 20bp with respect to 9M12.

EBITDA totaled \$83,454 million (US\$165.5 million), decreasing by 0.2% YoY, while EBITDA margin reached 17.0%, growing by 20bp over the same period of 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\$124.2 million, growing by 3.2% YoY, while EBITDA would have reached US\$170.3 million, growing by 2.7% YoY.

### Other Comprehensive Income (Excluding Administration Expenses)

Total other comprehensive income, excluding administration expenses, moved from a loss of \$12,272 million (US\$24.3 million) in September, 2012, to a positive \$500 million (US\$1.0 million) in September 2013. This was mainly due to an increase in other revenues (\$5,428 million / US\$10.4 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\$9.0 million). In addition, financial income increased by \$3,489 million (US\$6.9 million) while, financial expenses decreased by \$3,414 million (US\$6.8 million).

### Net Income

Net income attributable to the owners of the company, totaled \$44,428 million (US\$88.1 million) in 9M13, reflecting an increase of 35.4% YoY. Without the effect of the Payroll divestment, net income attributable to the owners of the company would have grown by 21.5% compared to the same period of last year.

## II. Consolidated Results for the Third Quarter of 2013 (3Q13)

### Revenues

Consolidated revenues reached \$167,123 million (US\$331.5 million) in 3Q13, down 0.7% YoY.

The devaluation of Latam currencies against the Chilean Peso has had a negative effect on the translation of the foreign subsidiaries income statements from functional to reporting currency, in particular in Brazil. Indeed, excluding this effect, consolidated revenues would have reached US\$336.0 million growing by 0.7% YoY.

Main variations in the period were the following:

- ❖ Larger revenues from IT Services business (+0.4% YoY), totaling \$88,596 million (US\$175.7 million), driven by 9.0% increase in outsourcing revenues (+\$3,659 million / +US\$7.3 million), to \$44.329 million (US\$87.9 million). Excluding the effect of exchange rate fluctuations, consolidated IT Services revenues would have grown by 2.9% YoY.
- ❖ Applications business with total revenues down 18.8% YoY (-\$2,816 million / -US\$5.6 million), totaling \$12,158 million (US\$24.1 million), due to a decrease in development and maintenance services by 27.2% (+\$1,968 million / US\$3.9 million), totaling \$5,263 million (US\$10.4 million). Excluding the effect of exchange rate fluctuations, consolidated Application business revenues would have fallen by 14.8% YoY.
- ❖ Platforms business revenues were up by 2.0% YoY (\$1,309 million / US\$2.6 million) reaching \$66,368 million (US\$131.6 million), principally as a result of 7.2% higher sales of HW Platforms (\$3,448 million / US\$6.8 million), reaching \$51,117 million (US\$101.4 million). Excluding the effect of exchange rate fluctuations, consolidated Platforms business revenues would have grown by 1.3% YoY.

In terms of revenue breakdown by business line, IT Services contributed 53.0% of consolidated revenues during the third quarter of 2013, while Applications and Platforms represented 7.3% and 39.7% respectively.

Figure 4 – Consolidated Revenues by Business Line

Consolidated Revenues by Business Line	3Q12	3Q13	Δ \$	Δ %
	Ch\$M	Ch\$M		
Platforms	65,059	66,368	1,309	2.0%
IT Services	88,225	88,596	372	0.4%
Applications	14,975	12,158	(2,816)	-18.8%
<b>Total</b>	<b>168,258</b>	<b>167,123</b>	<b>(1,135)</b>	<b>-0.7%</b>
<b>Breakdown</b>				
Platforms	38.7%	39.7%		
IT Services	52.4%	53.0%		
Applications	8.9%	7.3%		
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>		

### Cost of Sales and Selling, General and Administration Expenses

Cost of sales amounted \$132,903 million (US\$263.6 million) for 3Q13, up 0.5% YoY.

Administration expenses totaled \$14,176 million (US\$28.1 million), decreasing by 5.3% YoY.

## Operating Income and EBITDA

Operating income reached \$20,044 million (US\$39.8 million / -4.6% YoY). Gross margin as a percentage of revenues reached 20.5%, while operating margin was 12.0%.

EBITDA amounted to \$27,884 million (US\$55.3 million / -3.4% YoY) for 3Q13 and the EBITDA margin reached 16.7% for the period.

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\$40.2 million, decreasing by 3.5% YoY, while EBITDA would have reached US\$56.0 million, down by 2.2% YoY.

Figure 5 – Income Statement

<b>Summary of Consolidated Income Statement</b>	<b>3Q12</b>	<b>3Q13</b>	<b>Δ \$</b>	<b>Δ %</b>
	Ch\$M	Ch\$M		
Revenues	168,258	167,123	(1,135)	-0.7%
Cost of Sales	(132,273)	(132,903)	(631)	0.5%
<b>Gross Profit</b>	<b>35,985</b>	<b>34,219</b>	<b>(1,766)</b>	<b>-4.9%</b>
Administration Expenses	(14,971)	(14,176)	796	-5.3%
Operating Income <sup>(1)</sup>	21,014	20,044	(971)	-4.6%
<b>EBITDA <sup>(2)</sup></b>	<b>28,857</b>	<b>27,884</b>	<b>(973)</b>	<b>-3.4%</b>
Net Income Attributable to Owners	8,693	12,053	3,359	38.6%
<b>Financial Ratios</b>				
Gross Margin	21.4%	20.5%		
Operating Margin	12.5%	12.0%		
EBITDA Margin	17.2%	16.7%		
Net Margin	5.2%	7.2%		

<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 \$7,560 million (-US\$15.0 million) in 3Q12 to a loss of \$4,518 million (US\$9.0 million) in 3Q13. The variation was mainly due to a decrease in financial expenses by \$1,803 million (US\$ 3.6 million / -53.5%) and an increase in financial income of \$1,029 million (US\$2.0 million).

## Net Income

Net income attributable to the owners of the Company amounted to \$12,053 million (US\$23.9 million) for 3Q13, up 38.6% YoY.

### III. Regional Results for the first nine months of 2013 (9M13) and the third quarter of 2013 (3Q13)

#### Chile

Main changes in Chile between 9M12 and 9M13 are described below:

- ❖ Revenues of \$218,641 million (US\$433.6 million) decreased by 1.8% YoY as a result of extraordinary effects in outsourcing projects during 9M12, which did not occur in 9M13.
- ❖ Operating income reached \$34,795 million (US\$69.0 million / +1.2% YoY) and EBITDA totaling \$43,588 million (US\$86.5 million / -6.3% YoY)
- ❖ Operating margin reached 15.9%, 50bp over the same period of 2012.

Figure 6 – Business in Chile  
9M12 – 9M13

Summary of Results Chile	Sep-12	Sep-13	Δ \$	Δ %
	Ch\$M	Ch\$M		
Revenues	222,629	218,641	(3,989)	-1.8%
Platforms	107,285	108,838	1,553	1.4%
IT Services	105,808	100,434	(5,374)	-5.1%
Applications	9,537	9,369	(167)	-1.8%
Cost of Sales	(168,323)	(163,891)	4,432	-2.6%
<b>Gross Profit</b>	<b>54,306</b>	<b>54,750</b>	<b>444</b>	<b>0.8%</b>
Administration Expenses	(19,923)	(19,955)	(31)	0.2%
<b>Operating Income <sup>(1)</sup></b>	<b>34,382</b>	<b>34,795</b>	<b>413</b>	<b>1.2%</b>
<b>EBITDA <sup>(2)</sup></b>	<b>46,533</b>	<b>43,588</b>	<b>(2,945)</b>	<b>-6.3%</b>
<i>Operating Margin</i>	<i>15.4%</i>	<i>15.9%</i>		
<i>EBITDA Margin</i>	<i>20.9%</i>	<i>19.9%</i>		

Main changes in Chile between 3Q12 and 3Q13 are described below:

- ❖ \$73,337 million (US\$145.5 million / +1.2% YoY) in revenues for 3Q13. The increase was driven by: Platforms (+3.4% YoY) and IT Services (+0.6% YoY), partially offset by Applications (-16.2%)
- ❖ Operating income of \$10,823 million (US\$21.5 million), increasing 5.7% YoY, due to higher gross margin (+5.6% YoY)
- ❖ EBITDA totaled \$13,793 million (US\$27.4 million), down by 3.6%, and EBITDA margin falling to 18.8%, compared with 19.7% in 3Q12.

Figure 7 – Business in Chile  
3Q12 – 3Q13

Summary of Results Chile	3Q12	3Q13	Δ \$	Δ %
	Ch\$M	Ch\$M		
Revenues	72,497	73,337	840	1.2%
Platforms	35,180	36,369	1,189	3.4%
IT Services	33,828	34,046	218	0.6%
Applications	3,489	2,922	(567)	-16.2%
Cost of Sales	(55,564)	(55,452)	112	-0.2%
<b>Gross Profit</b>	<b>16,933</b>	<b>17,885</b>	<b>952</b>	<b>5.6%</b>
Administration Expenses	(6,691)	(7,062)	(371)	5.5%
<b>Operating Income <sup>(1)</sup></b>	<b>10,242</b>	<b>10,823</b>	<b>581</b>	<b>5.7%</b>
<b>EBITDA <sup>(2)</sup></b>	<b>14,306</b>	<b>13,793</b>	<b>(513)</b>	<b>-3.6%</b>
<i>Operating Margin</i>	<i>14.1%</i>	<i>14.8%</i>		
<i>EBITDA Margin</i>	<i>19.7%</i>	<i>18.8%</i>		

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

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



## Brazil

Main changes in Brazil between 9M12 and 9M13 are described below:

- ❖ Revenues totaling \$162,261 million (US\$321.8 million), down 4.4% YoY mainly due to the translation effects. Without this, revenues in Brazil would have grown by 5.9%. IT Services revenues decreased by 5.2% YoY, which without the translation effects would have grown by 5.2%.
- ❖ Operating income reached \$13,987 million (US\$27.7 million / -21.8% YoY), and EBITDA totaled \$20,056 million (US\$39.8 million / -8.6%). Without translation effects, operating income would have decreased by 14.1% YoY, and EBITDA would have increased of 0.7%.
- ❖ The operating margin and EBITDA margin were 8.6% and 12.4% respectively.

Figure 8 – Business in Brazil  
9M12 – 9M13

Summary of Results Brazil	Sep-12	Sep-13	Δ \$	Δ %
	Ch\$M	Ch\$M		
Revenues	169,729	162,261	(7,468)	-4.4%
Platforms	37,138	36,891	(246)	-0.7%
IT Services	105,590	100,122	(5,468)	-5.2%
Applications	27,002	25,248	(1,754)	-6.5%
Cost of Sales	(137,758)	(135,298)	2,460	-1.8%
<b>Gross Profit</b>	<b>31,971</b>	<b>26,964</b>	<b>(5,008)</b>	<b>-15.7%</b>
Administration Expenses	(14,075)	(12,977)	1,098	-7.8%
<b>Operating Income <sup>(1)</sup></b>	<b>17,897</b>	<b>13,987</b>	<b>(3,910)</b>	<b>-21.8%</b>
<b>EBITDA <sup>(2)</sup></b>	<b>21,938</b>	<b>20,056</b>	<b>(1,882)</b>	<b>-8.6%</b>
<i>Operating Margin</i>	<i>10.5%</i>	<i>8.6%</i>		
<i>EBITDA Margin</i>	<i>12.9%</i>	<i>12.4%</i>		

Main changes in Brazil between 3Q12 and 3Q13 are described below:

- ❖ Revenues reached \$54,100 million (US\$107.3 million), decreasing 11.5% YoY. IT Services business went down by 13.9%, Applications business fell by 19.9% and Platforms business also decreased by 0.5% YoY. Without the translation effects, revenues in Brazil would have decreased by 4.9%.
- ❖ Operating income and EBITDA reached \$4,827 million (US\$9.6 million) and \$6,739 million (US\$13.4 million), decreasing by 36.3% and 23.8% YoY, respectively. Without translation effects, EBITDA in Brazil would have decreased by 18.4%.
- ❖ Operating margin decreased from 12.4% in 3Q12 to 8.9% in 3Q13, while the EBITDA margin also decreased from 14.5% in 3Q12 to 12.5% in 3Q13.

Figure 9 – Business in Brazil  
3Q12 – 3Q13

Summary of Results Brazil	3Q12	3Q13	Δ \$	Δ %
	Ch\$M	Ch\$M		
Revenues	61,115	54,100	(7,014)	-11.5%
Platforms	15,562	15,484	(77)	-0.5%
IT Services	35,542	30,596	(4,946)	-13.9%
Applications	10,010	8,020	(1,991)	-19.9%
Cost of Sales	(48,895)	(45,446)	3,449	-7.1%
<b>Gross Profit</b>	<b>12,220</b>	<b>8,654</b>	<b>(3,565)</b>	<b>-29.2%</b>
Administration Expenses	(4,644)	(3,827)	816	-17.6%
<b>Operating Income <sup>(1)</sup></b>	<b>7,576</b>	<b>4,827</b>	<b>(2,749)</b>	<b>-36.3%</b>
<b>EBITDA <sup>(2)</sup></b>	<b>8,848</b>	<b>6,739</b>	<b>(2,110)</b>	<b>-23.8%</b>
<i>Operating Margin</i>	<i>12.4%</i>	<i>8.9%</i>		
<i>EBITDA Margin</i>	<i>14.5%</i>	<i>12.5%</i>		

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

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

## Mexico

Main changes in Mexico between 9M12 and 9M13 are described below:

- ❖ Revenues rose by 6.3%, totaling \$45,709 million (US\$90.7 million), as a result of increased activity in the IT Services business (+9.5% YoY) as a consequence of new projects carried out during 9M13.
- ❖ Operating income of \$5,903 million (US\$11.7 million / +4.7% YoY) and \$7,434 million (US\$14.7 million / +5.1% YoY) in EBITDA
- ❖ Operating margin and EBITDA margin reached 12.9% and 16.3% respectively, maintaining similar levels in comparison with the same period of the last year.

Figure 10: Business in Mexico  
9M12 – 9M13

Summary of Results Mexico	Sep-12	Sep-13	Δ \$	Δ %
	Ch\$M	Ch\$M		
Revenues	42,993	45,709	2,716	6.3%
Platforms	19,706	20,279	573	2.9%
IT Services	23,016	25,193	2,177	9.5%
Applications	271	237	(34)	-12.5%
Cost of Sales	(32,674)	(35,271)	(2,597)	7.9%
<b>Gross Profit</b>	<b>10,319</b>	<b>10,438</b>	<b>119</b>	<b>1.2%</b>
Administration Expenses	(4,684)	(4,536)	148	-3.2%
<b>Operating Income <sup>(1)</sup></b>	<b>5,635</b>	<b>5,903</b>	<b>267</b>	<b>4.7%</b>
<b>EBITDA <sup>(2)</sup></b>	<b>7,071</b>	<b>7,434</b>	<b>363</b>	<b>5.1%</b>
<i>Operating Margin</i>	<i>13.1%</i>	<i>12.9%</i>		
<i>EBITDA Margin</i>	<i>16.4%</i>	<i>16.3%</i>		

Main changes in Mexico between 3Q12 and 3Q13 are described below:

- ❖ Revenues for \$17,764 million (US\$35.2 million), a 18.4% YoY increase, as a result of greater activity in the platform business line (+33.3% YoY)
- ❖ Operating income, amounted to \$2,120 million (US\$4.2 million), 0.5% down compared to 3Q12, and EBITDA grew by 2.7% YoY, reaching \$2,681 million (US\$5.3 million)
- ❖ Operating margin was 11.9%, while EBITDA margin reached 15.1%.

Figure 11: Business in México  
3Q12 – 3Q13

Summary of Results Mexico	3Q12	3Q13	Δ \$	Δ %
	Ch\$M	Ch\$M		
Revenues	15,006	17,764	2,758	18.4%
Platforms	7,226	9,635	2,409	33.3%
IT Services	7,792	8,148	356	4.6%
Applications	(11)	(19)	(7)	65.5%
Cost of Sales	(11,397)	(14,408)	(3,012)	26.4%
<b>Gross Profit</b>	<b>3,610</b>	<b>3,356</b>	<b>(254)</b>	<b>-7.0%</b>
Administration Expenses	(1,480)	(1,236)	244	-16.5%
<b>Operating Income <sup>(1)</sup></b>	<b>2,130</b>	<b>2,120</b>	<b>(10)</b>	<b>-0.5%</b>
<b>EBITDA <sup>(2)</sup></b>	<b>2,612</b>	<b>2,681</b>	<b>69</b>	<b>2.7%</b>
<i>Operating Margin</i>	<i>14.2%</i>	<i>11.9%</i>		
<i>EBITDA Margin</i>	<i>17.4%</i>	<i>15.1%</i>		

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

<sup>(2)</sup> 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 9M12 and 9M13 are described below:

- ❖ Revenues increased by 3.6%, reaching \$64,306 million (US\$127.5 million). Without translation effects, revenues would have grown by 9.4%. Higher revenues in IT Services (+37.2% YoY), mostly explained by new contracts in Colombia, Argentina, Peru and Uruguay, plus the Metrobus'-project in Panama which started up in Feb-12.
- ❖ Operating income and EBITDA grew to \$6,361 million (US\$12.6 million) and \$12,376 million (US\$24.5 million), improving 127.1% YoY and 52.9% YoY, respectively
- ❖ Operating margin was 9.9% and EBITDA margin reached 19.2%, 540bp and 620bp up, respectively, compared to the same period of 2012.

Figure 12: Business in OPLA  
9M12 – 9M13

Summary of Results OPLA	Sep-12	Sep-13	Δ \$	Δ %
	Ch\$M	Ch\$M		
Revenues	62,070	64,306	2,236	3.6%
Platforms	25,957	16,893	(9,063)	-34.9%
IT Services	31,296	42,926	11,630	37.2%
Applications	4,817	4,487	(331)	-6.9%
Cost of Sales	(52,837)	(51,820)	1,016	-1.9%
<b>Gross Profit</b>	<b>9,233</b>	<b>12,486</b>	<b>3,252</b>	<b>35.2%</b>
Administration Expenses	(6,432)	(6,125)	308	-4.8%
<b>Operating Income <sup>(1)</sup></b>	<b>2,801</b>	<b>6,361</b>	<b>3,560</b>	<b>127.1%</b>
<b>EBITDA <sup>(2)</sup></b>	<b>8,092</b>	<b>12,376</b>	<b>4,285</b>	<b>52.9%</b>
<i>Operating Margin</i>	4.5%	9.9%		
<i>EBITDA Margin</i>	13.0%	19.2%		

Main changes in OPLA between 3Q12 and 3Q13 are described below:

- ❖ 11.6% increase in revenues, to \$21,922 million (US\$43.5 million), explained by higher revenues in the IT Services business for \$4,744 million (US\$9.4 million / 42.9%), partially offset by Platforms revenues decrease of \$2,212 million (US\$4.4 million / -31.2%)
- ❖ Operating income of \$2,274 million (US\$4.5 million / +113.3% YoY) and EBITDA of \$4,671 million (US\$9.3 million / +51.1% YoY).
- ❖ Operating margin totaled 10.4%, while EBITDA margin reached 21.3%, improving by 560bp.

Figure 13: Business in OPLA  
3Q12 – 3Q13

Summary of Results OPLA	3Q12	3Q13	Δ \$	Δ %
	Ch\$M	Ch\$M		
Revenues	19,640	21,922	2,281	11.6%
Platforms	7,091	4,880	(2,212)	-31.2%
IT Services	11,062	15,806	4,744	42.9%
Applications	1,487	1,236	(251)	-16.9%
Cost of Sales	(16,417)	(17,597)	(1,180)	7.2%
<b>Gross Profit</b>	<b>3,223</b>	<b>4,324</b>	<b>1,101</b>	<b>34.2%</b>
Administration Expenses	(2,157)	(2,050)	107	-4.9%
<b>Operating Income <sup>(1)</sup></b>	<b>1,066</b>	<b>2,274</b>	<b>1,208</b>	<b>113.3%</b>
<b>EBITDA <sup>(2)</sup></b>	<b>3,091</b>	<b>4,671</b>	<b>1,580</b>	<b>51.1%</b>
<i>Operating Margin</i>	5.4%	10.4%		
<i>EBITDA Margin</i>	15.7%	21.3%		

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

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

Figure N°14: Regional Summary

Regional Summary	Sep-12	Sep-13	Δ \$	Δ %	3Q12	3Q13	Δ \$	Δ %
	Ch\$M	Ch\$M			Ch\$M	Ch\$M		
<b>Chile</b>								
Revenues	222,629	218,641	(3,989)	-1.8%	72,497	73,337	840	1.2%
Platforms	107,285	108,838	1,553	1.4%	35,180	36,369	1,189	3.4%
IT Services	105,808	100,434	(5,374)	-5.1%	33,828	34,046	218	0.6%
Applications	9,537	9,369	(167)	-1.8%	3,489	2,922	(567)	-16.2%
Cost of Sales	(168,323)	(163,891)	4,432	-2.6%	(55,564)	(55,452)	112	-0.2%
<b>Gross Profit</b>	<b>54,306</b>	<b>54,750</b>	<b>444</b>	<b>0.8%</b>	<b>16,933</b>	<b>17,885</b>	<b>952</b>	<b>5.6%</b>
Administration Expenses	(19,923)	(19,955)	(31)	0.2%	(6,691)	(7,062)	(371)	5.5%
<b>Operating Income <sup>(1)</sup></b>	<b>34,382</b>	<b>34,795</b>	<b>413</b>	<b>1.2%</b>	<b>10,242</b>	<b>10,823</b>	<b>581</b>	<b>5.7%</b>
<b>EBITDA <sup>(2)</sup></b>	<b>46,533</b>	<b>43,588</b>	<b>(2,945)</b>	<b>-6.3%</b>	<b>14,306</b>	<b>13,793</b>	<b>(513)</b>	<b>-3.6%</b>
<i>Operating Margin</i>	15.4%	15.9%			14.1%	14.8%		
<i>EBITDA Margin</i>	20.9%	19.9%			19.7%	18.8%		
<b>Brazil</b>								
Revenues	169,729	162,261	(7,468)	-4.4%	61,115	54,100	(7,014)	-11.5%
Platforms	37,138	36,891	(246)	-0.7%	15,562	15,484	(77)	-0.5%
IT Services	105,590	100,122	(5,468)	-5.2%	35,542	30,596	(4,946)	-13.9%
Applications	27,002	25,248	(1,754)	-6.5%	10,010	8,020	(1,991)	-19.9%
Cost of Sales	(137,758)	(135,298)	2,460	-1.8%	(48,895)	(45,446)	3,449	-7.1%
<b>Gross Profit</b>	<b>31,971</b>	<b>26,964</b>	<b>(5,008)</b>	<b>-15.7%</b>	<b>12,220</b>	<b>8,654</b>	<b>(3,565)</b>	<b>-29.2%</b>
Administration Expenses	(14,075)	(12,977)	1,098	-7.8%	(4,644)	(3,827)	816	-17.6%
<b>Operating Income <sup>(1)</sup></b>	<b>17,897</b>	<b>13,987</b>	<b>(3,910)</b>	<b>-21.8%</b>	<b>7,576</b>	<b>4,827</b>	<b>(2,749)</b>	<b>-36.3%</b>
<b>EBITDA <sup>(2)</sup></b>	<b>21,938</b>	<b>20,056</b>	<b>(1,882)</b>	<b>-8.6%</b>	<b>8,848</b>	<b>6,739</b>	<b>(2,110)</b>	<b>-23.8%</b>
<i>Operating Margin</i>	10.5%	8.6%			12.4%	8.9%		
<i>EBITDA Margin</i>	12.9%	12.4%			14.5%	12.5%		
<b>Mexico</b>								
Revenues	42,993	45,709	2,716	6.3%	15,006	17,764	2,758	18.4%
Platforms	19,706	20,279	573	2.9%	7,226	9,635	2,409	33.3%
IT Services	23,016	25,193	2,177	9.5%	7,792	8,148	356	4.6%
Applications	271	237	(34)	-12.5%	(11)	(19)	(7)	65.5%
Cost of Sales	(32,674)	(35,271)	(2,597)	7.9%	(11,397)	(14,408)	(3,012)	26.4%
<b>Gross Profit</b>	<b>10,319</b>	<b>10,438</b>	<b>119</b>	<b>1.2%</b>	<b>3,610</b>	<b>3,356</b>	<b>(254)</b>	<b>-7.0%</b>
Administration Expenses	(4,684)	(4,536)	148	-3.2%	(1,480)	(1,236)	244	-16.5%
<b>Operating Income <sup>(1)</sup></b>	<b>5,635</b>	<b>5,903</b>	<b>267</b>	<b>4.7%</b>	<b>2,130</b>	<b>2,120</b>	<b>(10)</b>	<b>-0.5%</b>
<b>EBITDA <sup>(2)</sup></b>	<b>7,071</b>	<b>7,434</b>	<b>363</b>	<b>5.1%</b>	<b>2,612</b>	<b>2,681</b>	<b>69</b>	<b>2.7%</b>
<i>Operating Margin</i>	13.1%	12.9%			14.2%	11.9%		
<i>EBITDA Margin</i>	16.4%	16.3%			17.4%	15.1%		
<b>OPLA</b>								
Revenues	62,070	64,306	2,236	3.6%	19,640	21,922	2,281	11.6%
Platforms	25,957	16,893	(9,063)	-34.9%	7,091	4,880	(2,212)	-31.2%
IT Services	31,296	42,926	11,630	37.2%	11,062	15,806	4,744	42.9%
Applications	4,817	4,487	(331)	-6.9%	1,487	1,236	(251)	-16.9%
Cost of Sales	(52,837)	(51,820)	1,016	-1.9%	(16,417)	(17,597)	(1,180)	7.2%
<b>Gross Profit</b>	<b>9,233</b>	<b>12,486</b>	<b>3,252</b>	<b>35.2%</b>	<b>3,223</b>	<b>4,324</b>	<b>1,101</b>	<b>34.2%</b>
Administration Expenses	(6,432)	(6,125)	308	-4.8%	(2,157)	(2,050)	107	-4.9%
<b>Operating Income <sup>(1)</sup></b>	<b>2,801</b>	<b>6,361</b>	<b>3,560</b>	<b>127.1%</b>	<b>1,066</b>	<b>2,274</b>	<b>1,208</b>	<b>113.3%</b>
<b>EBITDA <sup>(2)</sup></b>	<b>8,092</b>	<b>12,376</b>	<b>4,285</b>	<b>52.9%</b>	<b>3,091</b>	<b>4,671</b>	<b>1,580</b>	<b>51.1%</b>
<i>Operating Margin</i>	4.5%	9.9%			5.4%	10.4%		
<i>EBITDA Margin</i>	13.0%	19.2%			15.7%	21.3%		

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

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

## IV. Analysis of Consolidated Balance Sheet

### Assets

Total assets amounted to \$742,130 million (US\$1,471.9 million) as of September 30, 2013, with a rise of 7.0% when compared to December 31, 2012. This is mainly explained by:

- ❖ Increase of \$101,004 million (US\$200.3 million) in cash and cash equivalents, totaling \$162,314 million (US\$321.9 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 accounts receivable and other receivables of \$22,162 million (US\$44.0 million), totaling \$136,537 million (US\$270.8 million), as a result of Dec-12 seasonality and better collection effectiveness.
- ❖ Decrease in other non-current financial assets of \$23,345 million (US\$46.3 million), to \$3,061 million (US\$6.1 million), mainly due to the liquidation of financial investments.

The company continues showing a solid liquidity position as of September 30, 2013, with a current ratio of 2.3x. Working capital was \$212,402 million (US\$421.3 million).

### Liabilities

Total liabilities reached \$277,589 million (US\$550.6 million) as of September 30, 2013, reflecting a fall of 5.9% with respect to December 2012, mainly due to a decrease in:

- ❖ Other non-current financial liabilities of \$5,326 million (US\$10.6 million), to \$78,488 million (US\$155.7), due to repayments of financial loans.
- ❖ Non-current trade accounts payable of \$11,788 million (US\$23.4 million), to \$9,317 million (US\$18.5 million), primarily due to payments related to acquisitions in Brazil in 2012.

Debt level remained stable at the end of September 2013, with a 0.6x leverage ratio (total liabilities / equity), a 0.2x financial leverage ratio (financial liabilities / equity) and 16.0 financial expenses coverage ratio (EBITDA / financial expenses).

### Shareholder's Equity

Shareholders' equity attributable to the owners of the company, amounted to \$459,595 million (US\$911.5 million) as of September 30, 2013. Main changes compared to December 2012 are the capital increase completed in January, 2013, the results for the period, the dividend accrual and translation effects from foreign subsidiaries.

In terms of annualized profitability, ROE reached 13.9%.

Figure 15 – Financial Ratios Summary

Financial Ratios		Sep-12	Sep-13	Δ	Dec-12	Δ
					Sep-13 / Sep-12	Sep-13 / Dec-12
<b>Liquidity</b>						
<b>Current Ratio</b>	(times)	1.2	2.3	87.7%	1.8	25.3%
(Current Assets / Current Liabilities)						
<b>Quick Ratio</b>	(times)	1.1	2.1	93.4%	1.6	26.5%
((Current Assets - Inventories) / Current Liabilities)						
<b>Working Capital</b>	(Ch\$M)	45,832	212,402	363.4%	135,422.487	56.8%
(Current Assets - Current Liabilities)						
<b>Indebtedness</b>						
<b>Leverage</b>	(times)	1.2	0.6	-50.0%	0.7	-19.3%
((Current Liabilities + Non-current Liabilities) / Equity)						
<b>Leverage Financial</b>	(times)	0.6	0.2	-66.0%	0.3	-17.1%
((Other Current Financial Liabilities + Other Non-current Financial Liabilities) / Equity)						
<b>Short-Term Debt</b>	(times)	0.6	0.6	-5.4%	0.6	6.3%
(Current Liabilities / Total Liabilities)						
<b>Long-Term Debt</b>	(veces)	0.4	0.4	9.7%	0.4	-8.4%
(Non-Current Liabilities / Total Liabilities)						
<b>Financial-Expenses-Coverage Ratio</b>	(times)	9.7	16.0	64.9%	10.9	46.6%
(EBITDA / Financial Expenses)						
<b>Financial Debt tu EBITDA Ratio</b>	(times)	1.7	0.9	-45.9%	0.9	1.9%
((Current Liabilities + Non-current Liabilities) / EBITDA <sup>1,2</sup> )						
<b>Net Financial Debt to EBITDA Ratio</b>	(times)	1.3	(0.6)	-142.5%	0.3	-266.9%
((Current Liabilities + Non-current Liabilities - Cash and Cash Equivalents - Other Current Financial Assets) / EBITDA <sup>1,2</sup> )						
<b>Profitability</b>						
<b>ROE</b>	%	14.7%	13.9%	-80 pb	13.0%	90 pb
(Net Income attrib.to Owners <sup>2</sup> / Equity attrib.to Owners <sup>3</sup> )						
<b>ROA</b>	%	7.2%	8.3%	110 pb	7.2%	110 pb
(Net Income attrib.to Owners <sup>2</sup> / Equity attrib.to Owners <sup>3</sup> )						
<b>Earnings per Share</b>	(Ch\$)	56.7	68.0	19.8%	54.4	25.0%
(Net Income attrib.to Owners of Comp. / Total Shares <sup>4</sup> )						
<b>Dividend Yield</b>	%	2.0%	2.3%	30 pb	2.0%	30 pb
(Dividends Paid <sup>5</sup> / Closing Market Stock Price)						

<sup>1</sup> EBITDA = Operating Income + Depreciation and Amortization

<sup>2</sup> Annual Base

<sup>3</sup> Calculated as an average:

- Sep-13: average between Sep-13 y Dec-12

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

- Dec-12: average between Dec-12 y Dec-11

<sup>4</sup> Numbers of shares considered:

- Sep-13 = 871,057,175

- Sep-12 = 771,057,175

- Dec-12 = 837,918,566

<sup>5</sup> Last 12 months

## Statements of Cash Flow

Cash and Cash Equivalents at end of period totaled \$162.314 million (US\$321.9 million) as of Sep-13, compared to \$33,123 million (US\$65.7 million) as of September 30, 2012.

Net Operating Cash Flow was \$70.628 million (US\$140.1 million) for 9M13, showing an increase of 34.4% with respect to the same period of last year.

Net Investment Cash Flow reached \$16,545 million (US\$32.8 million), with a lower use of funds of \$102,016 million (US\$202.3 million) mainly due to the sale of financial investments in 9M13 and the acquisition of PARS and Elucid in 9M12.

CAPEX totaled \$20,771 million (US\$41.2 million), with net permanent investments of \$8,128 million (US\$16.1 million) and \$10,217 million (US\$20.3 million) in the purchase of fixed assets for development projects with customers and the preparation of new data center in Chile.

Net Financing Cash Flow was \$12,882 million (US\$25.5 million), decreasing by 65.3% YoY, due to reduced proceeds from short-term loans, and dividends payment partially offset by increased funds deriving from the capital increase completed in January 2013.

Figure N°16: Statements of Cash Flow

Statements of Cash Flow	Sep-12	Sep-13	Δ \$	Δ %
	Ch\$M	Ch\$M		
Net Cash Flows from (used in) Operating Activities	52,533	70,628	18,095	34.4%
Net Cash Flows from (used in) Investing Activities	(85,470)	16,545	102,016	-119.4%
Net Cash Flows from (used in) Financing Activities	37,078	12,882	(24,196)	-65.3%
<b>Net Increase (Decrease) in Cash and Cash Equivalents before effect of Exchange Rates</b>	<b>4,140</b>	<b>100,055</b>	<b>95,915 -</b>	
Effect of Exchange Rate changes on Cash and Cash Equivalents	(3,953)	948	4,901	-124.0%
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>188</b>	<b>101,004</b>	<b>100,816 -</b>	
Cash and Cash Equivalents at beginning of period	32,936	61,310	28,374	86.2%
<b>Cash and Cash Equivalents at End of Period</b>	<b>33,123</b>	<b>162,314</b>	<b>129,190</b>	<b>390.0%</b>