



9M14 - 3Q14 | 2014

> EARNINGS RELEASE

January 01, 2014 – September 30, 2014

SONDA S.A. and subsidiaries announce their consolidated financial results for the period from January 01 to September 30, 2014. 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, 2014 (1 US\$ = 599.22 Chilean Pesos).

SUMMARY: 9M14-3Q14

- > Consolidated Revenues:
US\$1,039.2 million
- > Operating Income:
US\$105.0 million
- > EBITDA:
US\$ 153.1 million
- > Net Income:
US\$54.7 million
- > EBITDA Margin:
14.7%
- > Net Margin:
5.3%

I. Executive Summary

SONDA had consolidated revenues of \$622,711 million (US\$1,039.2 million) for the first nine months of 2014, 26.8% higher than the same period the previous year. Operating income was \$62,926 million (US\$105.0 million) and EBITDA was \$91,711 million (US\$153.1 million), an increase of 3.1% and 9.9% respectively (YoY). Net income attributable to owners totaled \$32,790 million (US\$54.7 million), 26.2 % lower than the same period in 2013.

Regional results:

Region	Revenues		EBITDA	
	Ch\$M	Δ Y/Y	Ch\$M	Δ Y/Y
Chile	222,400	1.7%	37,776	-13.3%
Brazil	271,131	67.1%	27,507	37.2%
Mexico	48,742	6.6%	9,333	25.5%
OPLA	80,438	25.1%	17,094	38.1%
Total	622,711	26.8%	91,711	9.9%

ROE for 9M14 was 8.9%. Current liquidity ratio was (1.6x), financial leverage ratio was (0.2x) and financial expenses coverage ratio was (10.2x), reflecting all a healthy financial position.

Highlights:

- > The financial results for the first nine months 2014 include the consolidation of CTIS since May 2014.
- > Operations outside Chile increased their revenue by 47.0% (YoY), totaling \$400,312 million (US\$668.1 million), contributing 64.3% of consolidated revenues, while operating income and EBITDA grew by 28.0% and 35.3% compared to the same period in 2013, reaching \$33,610 million (US\$56.1 million) and \$53,935 million (US\$90.0 million), respectively.
- > Revenues in Brazil reached \$271,131 million (US\$452.5 million), an increase of 67.1% (YoY) and EBITDA totaled \$27,507 million (US\$45.9 million), growing by 37.2% (YoY).
- > Revenues in Mexico reached \$48,742 million (US\$81.3 million), increasing by 6.6% in relation to the same period in 2013, and EBITDA totaled \$9,333 million (US\$15.6 million), growing by 25.5% (YoY). The EBITDA margin reached 19.1%, growing by 280bp (YoY).
- > Revenues in OPLA reached \$80,438 million (US\$134.2 million), growing by 25.1%, and EBITDA increased by 38.1% (YoY). EBITDA margin reached 21.3%, 210bp higher than the same period in 2013.
- > Revenues in Chile grew by 1.7% totaling \$222,400 million (US\$371.1 million) while EBITDA decreased by 13.3%, down to \$37,776 million (US\$63.0 million).
- > Net income attributable to owners was \$32,790 million (US\$54.7 million), 26.2% lower than the same period in 2013. Without the effect of the Payroll divestiture in June, 2013, net income attributable to the owners of the company would have decreased by 17.8%.
- > Net Income for 2014 has been negatively affected by exchange rate effects on foreign investments, and to a lesser extent by the effect of Chile's Tax Reform, which generated \$376 million in additional taxes for the period, plus a \$748 million charge in deferred taxes accounted against retained earnings.
- > New deals closed during the first nine months of 2014 reached US\$941.4million, increasing by 4.1% YoY.

Consolidated Financial Statements
SONDA S.A.

Millions of Ch\$ (Ch\$M)

Figure 1 – Consolidated Financial Statements

Income Statement	Sep-13	Sep-14	Δ \$	Δ %
Revenues	490,917	622,711	131,794	26.8%
Cost of Sales	(386,280)	(508,178)	(121,898)	31.6%
Gross Profit	104,637	114,533	9,896	9.5%
Administration Expenses	(43,592)	(51,607)	(8,015)	18.4%
Operating Income ⁽¹⁾	61,045	62,926	1,881	3.1%
Depreciation and Amortization	22,410	28,785	6,375	28.4%
EBITDA ⁽²⁾	83,454	91,711	8,256	9.9%
Other Income	7,061	3,810	(3,251)	-46.0%
Other Expenses	(6,510)	(3,314)	3,196	-49.1%
Profit (Loss) From Operating Activities	61,596	63,422	1,826	3.0%
Financial Income	5,663	5,064	(599)	-10.6%
Financial Expenses	(5,231)	(9,024)	(3,793)	72.5%
Share of Profit (Loss) of Associates	191	(47)	(238)	-124.5%
Foreign Exchange Differences	185	628	443	240.3%
Income (Loss) for Indexed Assets and Liabilities	266	(1,190)	(1,456)	-547.8%
Net Income Before Taxes	62,669	58,853	(3,815)	-6.1%
Income Tax Expense	(16,316)	(23,381)	(7,065)	43.3%
Net Income from Continuing Operations	46,353	35,472	(10,881)	-23.5%
Net Income Attributable to Minority Interest	1,925	2,682	757	39.3%
Net Income Attributable to Owners of the Company	44,428	32,790	-11,637	-26.2%

Balance Sheet	Dec-13	Sep-14	Δ \$	Δ %
Cash and Cash Equivalents	170,861	77,903	(92,958)	-54.4%
Other Current Financial Assets	7,046	11,711	4,665	66.2%
Trade Accounts Receivable and Other Receivables, Net	139,943	214,634	74,691	53.4%
Accounts Receivable from Related Companies	5,344	3,108	(2,236)	-41.8%
Inventories	32,401	44,332	11,931	36.8%
Other Current Assets	36,770	42,463	5,693	15.5%
Current Assets	392,365	394,152	1,787	0.5%
Intangibles Assets and Goodwill	221,217	316,163	94,946	42.9%
Property, Plant and Equipment, Net	91,242	106,376	15,134	16.6%
Other Non-currents Assets	39,106	54,077	14,971	38.3%
Non-current Assets	351,565	476,616	125,051	35.6%
Assets	743,930	870,768	126,838	17.0%
Other Current Financial Liabilities	52,764	57,788	5,024	9.5%
Other Liabilities	152,036	191,643	39,607	26.1%
Current Liabilities	204,800	249,432	44,631	21.8%
Other Non-current Financial Liabilities	41,352	54,738	13,386	32.4%
Other Liabilities, Non-Current	22,405	47,981	25,576	114.2%
Non-current Liabilities	63,757	102,719	38,962	61.1%
Liabilities	268,557	352,150	83,593	31.1%
Minority Interest	5,347	5,596	249	4.7%
Total Shareholders' Equity Attributable to Owners of the Company	470,025	513,021	42,996	9.1%
Total Liabilities and Shareholders' Equity	743,930	870,768	126,838	17.0%

⁽¹⁾ Operating Income = Gross Profit – Administration Expenses

⁽²⁾ EBITDA = Operating Income + Depreciation and Amortization

MANAGEMENT DISCUSSION AND ANALYSIS ON 9M14 AND 3Q14 CONSOLIDATED RESULTS

I. Consolidated Results for 9M14

Revenues

Consolidated revenues totaled \$622,711 million (US\$1,039.2 million) for 9M14, 26.8% (\$131,794 million / \$219.9 million) higher than in the same period of 2013.

Main variations in the period were the following:

- > Increase of 33.0% (\$88,534 million / US\$147.7 million) in revenues from the IT Services business, totaling \$357,208 million (US\$596.1 million) in 9M14, due to the consolidation of CTIS, acquired in May 2014.
- > Increase of 26.3% (\$10,356 million / US\$17.3 million) in revenue from the Applications business, reaching \$49,697 million (US\$82.9 million) for 9M14, mainly due to increased revenue in Brazil.
- > Increase of 18.0% (\$32,904 million / US\$54.9 million) in revenue from the Platforms business, reaching \$215,806 million (US\$360.1 million). The main variations were:
 - > Sales of HW rose by 17.8% (\$24,332 million / US\$40.6 million), totaling \$160,810 million (US\$268.4 million).
 - > Sales of SW rose by 21.3% (\$9,339 million / US\$15.6 million), totaling \$53,168 million (US\$88.7 million).

Revenue breakdown by business line for 9M14 is the following: IT Services contributed 57.4% of total revenues, Platforms contributed 34.7% and Applications contributed the remaining 8.0%.

Figure 2 – Consolidated Revenues by Business Line

Consolidated Revenues by Business Line	Sep-13	Sep-14	Δ \$	Δ %
	Ch\$M	Ch\$M		
Platforms	182,902	215,806	32,904	18.0%
IT Services	268,674	357,208	88,534	33.0%
Applications	39,341	49,697	10,356	26.3%
Total	490,917	622,711	131,794	26.8%

Breakdown

Platforms	37.3%	34.7%
IT Services	54.7%	57.4%
Applications	8.0%	8.0%
Total	100%	100%

Cost of Sales and Selling, General and Administrative Expenses

Consolidated cost of sales totaled \$508,178 million (US\$848.1 million) in 9M14, an increase of 31.6% over the same period in 2013, mainly as a consequence of CTIS consolidation.

Administration expenses were \$51,607 million (US\$86.1 million) for 9M14, a growth of 18.4% compared to the first nine months of the previous year, mainly due to CTIS consolidation.

Figure 3 – Income Statement

Summary of Consolidated Income Statement	Sep-13	Sep-14	Δ \$	Δ %
	Ch\$M	Ch\$M		
Revenues	490,917	622,711	131,794	26.8%
Cost of Sales	(386,280)	(508,178)	(121,898)	31.6%
Gross Profit	104,637	114,533	9,896	9.5%
Administration Expenses	(43,592)	(51,607)	(8,015)	18.4%
Operating Income ⁽¹⁾	61,045	62,926	1,881	3.1%
EBITDA ⁽²⁾	83,454	91,711	8,256	9.9%
Net Income Attributable to Owners	44,428	32,790	(11,637)	-26.2%
Financial Ratios				
Gross Margin	21.3%	18.4%		
Operating Margin	12.4%	10.1%		
EBITDA Margin	17.0%	14.7%		
Net Margin	9.0%	5.3%		

⁽¹⁾ Operating Income: Gross Profit – Administration Expenses

⁽²⁾ EBITDA: Operating Income + Depreciation and Amortization

Operating Income and EBITDA

Operating income was \$62,926 million (US\$105.0 million), an increase of 3.1% with regards to 9M13. Gross Margin as a percentage of revenue came to 18.4% and the operating margin to 10.1%, lower by 290bp and 230bp than in the first nine months of 2013, respectively.

EBITDA totaled \$91,711 million (US\$153.1 million) for 9M14, an increase of 9.9% (YoY). While EBITDA margin decreased to 14.7%, 230bp less than in the same period of last year.

Other Comprehensive Income (Excluding Administration Expenses)

Total other comprehensive income, excluding administration expenses, moved from a profit of \$1,624 million (US\$2.7 million) in 9M13 to a loss of \$4,073 million (US\$6.8 million) in 9M14. The latter mainly due to an increase in financial expenses (\$3,793 million / US\$6.3 million) mostly due to the consolidation of CTIS; a decrease in other income (\$3,251 million / US\$5.4 million), after the selling of a minority stake in the non-controlled affiliate Payroll in June 2013, which generated an after tax profit for \$4,559 million (US\$7.6 million).

Net Income

Net income attributable to the owners of the company totaled \$32,790 million (US\$54.7 million) in 9M14, reflecting a decrease of 26.2% YoY. Without the effect of the Payroll divestiture, net profit attributable to the owners of the company would have decreased by 17.8% compared to the same period of last year.

Net Income for 2014 has been negatively affected by exchange rate effects on foreign investments, and to a lesser extent by the effect of Chile's Tax Reform.

II. Consolidated Results for the Third Quarter of 2014 (3Q14)

Revenues

Consolidated revenues reached \$232,381 million (US\$387.8 million) in 3Q14, up 39.0% YoY, mainly due to the consolidation of CTIS. The increase is explained by:

- > Larger revenues from IT services business (+58.3% YoY), totaling \$140,225 million (US\$234.0 million), driven by:
 - > +128.2% by higher revenues from project integration services (25,408 million / US\$42.4 million), reaching \$45,227 million (US\$75.5 million).
 - > +54.6% increase in revenues from end user support services (\$13,353 million / US\$22.3 million), totaling \$37,800 million (US\$63.1 million).
- > Platforms business revenues went up by 15.0% YoY (\$9,961 million / US\$16.6 million) reaching \$76,329 million (US\$127.4 million), principally as a result of:
 - > +9.5% higher sales of HW platforms (\$4,844 million / US\$8.1 million), reaching \$55,960 million (US\$93.4million)
 - > +36.2% higher sales of SW platforms (\$5,251 million / US\$8.8 million), to \$19,762 million (US\$33.0 million)
- > Applications business with total revenues up 30.2% YoY (\$3,669 million / US\$6.1 million), totaling \$15,827 million (US\$26.4 million), due to:
 - > Increase in licenses sales by 65.7% (\$1,046 million / US\$1.7 million), totaling \$2,640 million (US\$ 4.4 million).
 - > +33.4% increase in development and maintenance revenues (\$1,759 million / US\$2.9 million), reaching \$7,022 million (US\$11.7 million).

In terms of revenue breakdown by business line, IT services contributed with 60.3% of consolidated revenues during the Third Quarter of 2014, while applications and platforms business lines represented 6.8% and 32.9%, respectively.

Figure 4 – Consolidated Revenues by Business Line

Consolidated Revenues by Business Line	3Q13	3Q14	Δ \$	Δ %
	Ch\$M	Ch\$M		
Platforms	66,368	76,329	9,961	15.0%
IT Services	88,596	140,225	51,629	58.3%
Applications	12,158	15,827	3,669	30.2%
Total	167,123	232,381	65,259	39.0%

Breakdown

Platforms	39.7%	32.9%
IT Services	53.0%	60.3%
Applications	7.3%	6.8%
Total	100%	100%

Cost of Sales and Selling, General and Administrative Expenses

Cost of sales amounted \$191,848 million (US\$320.2 million) for 3Q14, up 44.4% YoY, mainly due to CTIS consolidation.

Administration expenses totaled \$19,561 million (US\$32.6 million), increasing by 38.0% YoY, mostly explained by CTIS consolidation.

Operating Income and EBITDA

Operating income reached \$20,972 million (US\$35.0 million / +4.6% YoY). Gross margin as a percentage of revenues reached 17.4%, while operating margin was 9.0%.

EBITDA amounted to \$32,878million (US\$54.9 million / +17.9% YoY) for 3Q14 and EBITDA margin reached 14.1% for the period.

Figure 5 – Income Statement

Summary of Consolidated Income Statement	3Q13	3Q14	Δ \$	Δ %
	Ch\$M	Ch\$M		
Revenues	167,123	232,381	65,259	39.0%
Cost of Sales	(132,903)	(191,848)	(58,945)	44.4%
Gross Profit	34,219	40,533	6,314	18.5%
Administration Expenses	(14,176)	(19,561)	(5,385)	38.0%
Operating Income ⁽¹⁾	20,044	20,972	929	4.6%
EBITDA ⁽²⁾	27,884	32,878	4,995	17.9%
Net Income Attributable to Owners	12,053	6,377	(5,675)	-47.1%
Financial Ratios				
Gross Margin	20.5%	17.4%		
Operating Margin	12.0%	9.0%		
EBITDA Margin	16.7%	14.1%		
Net Margin	7.2%	2.7%		

Other Comprehensive Income (Excluding Administration Expenses)

Total other comprehensive income, excluding administration expenses, moved from a loss of \$3,394 million (US\$5.7 million) in 3Q13 to a profit of \$1,213 million (US\$2.0 million) in 3Q14. The variation was mainly due to an increase in other income by \$2,529 million (US\$4.2 million); a decrease in other expenses by \$3,927 million (US\$6.6 million), a positive effect in foreign exchange differences for \$363 million (US\$0.6 million), and a positive effect in income (loss) for indexed assets and liabilities for \$310 million (US\$0.5 million).

Net Income

Net income attributable to the owners of the Company, amounted \$6,377 million (US\$10.6 million) for 3Q14, down 47.1% YoY.

Net Income for 3Q14 has been negatively affected by exchange rate effects on foreign investments, and to a lesser extent by the effect of Chile's Tax Reform.

III. Regional Results for the first nine months of 2014 (9M14) and the Third Quarter of 2014 (3Q14)

Chile

Main changes in Chile between 9M13 and 9M14 are described below:

- > Revenue reached \$222,400 million (US\$371.1 million), increasing by 1.7% (YoY) mainly due to higher revenues from Platforms (+13.2%).
- > Operating Income was \$29,316 million (US\$48.9 million / -15.7% YoY) and EBITDA was \$37,776 million (US\$63.0 million / -13.3% YoY), mainly due to the end of a large outsourcing contract last year.
- > Operating Margin reached 13.2%, 270bp lower than during the first nine months of 2013.

Figure 5 – Business in Chile
Sept13 – Sept14

Summary of Results Chile	Sep-13	Sep-14	Δ \$	Δ %
	Ch\$M	Ch\$M		
Revenues	218,641	222,400	3,759	1.7%
Platforms	108,838	123,233	14,395	13.2%
IT Services	100,434	88,390	(12,044)	-12.0%
Applications	9,369	10,777	1,408	15.0%
Cost of Sales	(163,891)	(171,533)	(7,643)	4.7%
Gross Profit	54,750	50,866	(3,883)	-7.1%
Administration Expenses	(19,955)	(21,551)	(1,596)	8.0%
Operating Income⁽¹⁾	34,795	29,316	(5,479)	-15.7%
EBITDA⁽²⁾	43,588	37,776	(5,812)	-13.3%
Operating Margin	15.9%	13.2%		
EBITDA Margin	19.9%	17.0%		

Main changes in Chile between 3Q13 and 3Q14 are described below:

- > \$74,988 million (US\$125.1 million / +2.3% YoY) in revenues for 3Q14. The slight increase was driven by Platforms (+13.8% YoY).
- > Operating income reached \$10,780 million (US\$18.0 million), decreasing by 0.4% YoY.
- > EBITDA totaled \$13,574 million (US\$22.7 million), decreasing by 1.6% YoY.
- > EBITDA margin reached 18.1% 80bp less than 3Q13, and 280bp better than in 2Q14.

Figure 6 – Business in Chile
3Q13 – 3Q14

Summary of Results Chile	3Q13	3Q14	Δ \$	Δ %
	Ch\$M	Ch\$M		
Revenues	73,337	74,988	1,651	2.3%
Platforms	36,369	41,373	5,004	13.8%
IT Services	34,046	29,902	(4,144)	-12.2%
Applications	2,922	3,713	792	27.1%
Cost of Sales	(55,452)	(56,866)	(1,414)	2.5%
Gross Profit	17,885	18,122	238	1.3%
Administration Expenses	(7,062)	(7,343)	(280)	4.0%
Operating Income⁽¹⁾	10,823	10,780	(43)	-0.4%
EBITDA⁽²⁾	13,793	13,574	(219)	-1.6%
Operating Margin	14.8%	14.4%		
EBITDA Margin	18.8%	18.1%		

⁽¹⁾ Operating Income: Gross Profit – Administration Expenses

⁽²⁾ EBITDA: Operating Income + Depreciation and Amortization

Brazil

Main changes in Brazil between 9M13 and 9M14, including the effect of the consolidation of CTIS since May 2014, are described below:

- > Revenue reached \$271,131 million (US\$452.5 million), 67.1% higher than 9M13.
- > Operating Income reached \$16,557 million (US\$27.6 million / +18.4% YoY) and EBITDA was \$27,507 million (US\$45.9 million / +37.2% YoY).
- > Operating margin was 6.1% and EBITDA margin 10.1%, down 250bp and 230bp, respectively.

Figure 7 – Business in Brazil
Sept13 – Sept14

Summary of Results Brazil	Sep-13	Sep-14	Δ \$	Δ %
	Ch\$M	Ch\$M		
Revenues	162,261	271,131	108,870	67.1%
Platforms	36,891	49,883	12,991	35.2%
IT Services	100,122	185,936	85,814	85.7%
Applications	25,248	35,313	10,065	39.9%
Cost of Sales	(135,298)	(235,954)	(100,656)	74.4%
Gross Profit	26,964	35,177	8,214	30.5%
Administration Expenses	(12,977)	(18,621)	(5,644)	43.5%
Operating Income⁽¹⁾	13,987	16,557	2,570	18.4%
EBITDA⁽²⁾	20,056	27,507	7,452	37.2%
<i>Operating Margin</i>	8.6%	6.1%		
<i>EBITDA Margin</i>	12.4%	10.1%		

Main changes in Brazil between 3Q13 and 3Q14, including the effect of the consolidation of CTIS since May 2014, are described below:

- > Revenues reached \$112,070 million (US\$187.0 million), increasing by 107.2% YoY.
- > Operating income reached \$3,824 million (US\$6.4 million) decreasing by 20.8%, and EBITDA was \$9,627 million (US\$16.1 million), increasing by 42.9% YoY.
- > Operating margin reached 3.4% from 8.9% in 3Q13, while EBITDA margin reached 8.6% from 12.5% in 3Q13.

Figure 8 – Business in Brazil
3Q13 – 3Q14

Summary of Results Brazil	3Q13	3Q14	Δ \$	Δ %
	Ch\$M	Ch\$M		
Revenues	54,100	112,070	57,970	107.2%
Platforms	15,484	18,971	3,486	22.5%
IT Services	30,596	82,069	51,473	168.2%
Applications	8,020	11,030	3,011	37.5%
Cost of Sales	(45,446)	(99,841)	(54,395)	119.7%
Gross Profit	8,654	12,230	3,575	41.3%
Administration Expenses	(3,827)	(8,406)	(4,579)	119.6%
Operating Income⁽¹⁾	4,827	3,824	(1,004)	-20.8%
EBITDA⁽²⁾	6,739	9,627	2,889	42.9%
<i>Operating Margin</i>	8.9%	3.4%		
<i>EBITDA Margin</i>	12.5%	8.6%		

⁽¹⁾ Operating Income: Gross Profit – Administration Expenses

⁽²⁾ EBITDA: Operating Income + Depreciation and Amortization

Figure 9 – Business in Mexico
Sept13 – Sept14

Mexico

Main changes in Mexico between 9M13 and 9M14 are described below:

- > Revenue increased by 6.6% (YoY), totaling \$48,742 million (US\$81.3 million), mainly due to higher revenues from IT Services (+11.5% YoY).
- > Operating Income reached \$8,172 million (US\$13.6 million / +38.4% YoY) and EBITDA reached \$9,333 million (US\$15.6 million / +25.5% YoY), due to better margins achieved during this period.
- > Operating margin reached 16.8% and EBITDA margin 19.1%, higher by 390bp and 280bp than in the same period in 2013, respectively.

Summary of Results Mexico	Sep-13	Sep-14	Δ \$	Δ %
	Ch\$M	Ch\$M		
Revenues	45,709	48,742	3,033	6.6%
Platforms	20,279	20,641	361	1.8%
IT Services	25,193	28,102	2,909	11.5%
Applications	237	0	(237)	-100.0%
Cost of Sales	(35,271)	(36,093)	(822)	2.3%
Gross Profit	10,438	12,649	2,211	21.2%
Administration Expenses	(4,536)	(4,478)	58	-1.3%
Operating Income⁽¹⁾	5,903	8,172	2,269	38.4%
EBITDA⁽²⁾	7,434	9,333	1,899	25.5%
Operating Margin	12.9%	16.8%		
EBITDA Margin	16.3%	19.1%		

Main changes in Mexico between 3Q13 and 3Q14 are described below:

- > Revenues reached \$17,843 million (US\$29.8 million), a 0.4% YoY increase, as a result of a combined effect of higher revenues from the IT Services business (+18.6% YoY), and lower revenues from the Platforms business (-15.2% YoY).
- > Operating income reached \$3,328 million (US\$5.6 million), 57.0% higher than 3Q13, and EBITDA grew by 39.7% YoY, to \$3,746 million (US\$6.3 million) in 3Q14.
- > Operating margin was 18.7%, while EBITDA margin reached 21.0%, an improvement of +680bp and +590bp when compared to 3Q13, respectively.

Summary of Results Mexico	3Q13	3Q14	Δ \$	Δ %
	Ch\$M	Ch\$M		
Revenues	17,764	17,843	79	0.4%
Platforms	9,635	8,175	(1,460)	-15.2%
IT Services	8,148	9,668	1,520	18.6%
Applications	(19)	0	19	-100.0%
Cost of Sales	(14,408)	(13,060)	1,348	-9.4%
Gross Profit	3,356	4,782	1,427	42.5%
Administration Expenses	(1,236)	(1,455)	(218)	17.7%
Operating Income⁽¹⁾	2,120	3,328	1,208	57.0%
EBITDA⁽²⁾	2,681	3,746	1,065	39.7%
Operating Margin	11.9%	18.7%		
EBITDA Margin	15.1%	21.0%		

⁽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, Panama, Peru and Uruguay) between 9M13 and 9M14 are described below:

- > Revenue increased by 25.1% over the first nine months of 2014, reaching \$80,438 million (US\$134.2 million), as consequence of a revenue growth of IT Services (+27.6% YoY) and Platforms (+30.5% YoY).
- > Operating Income reached \$8,882 million (US\$14.8 million) and EBITDA was \$17,094 million (US\$28.5 million), growing by 39.6% and 38.1% (YoY), respectively.
- > Operating margin was 11.0% and EBITDA margin was 21.3%, higher by 110bp and 210bp than the same period in 2013, respectively.

Figure 11 – Business in OPLA
Sept13 - Sept14

Summary of Results OPLA	Sep-13	Sep-14	Δ \$	Δ %
	Ch\$M	Ch\$M		
Revenues	64,306	80,438	16,132	25.1%
Platforms	16,893	22,050	5,157	30.5%
IT Services	42,926	54,781	11,856	27.6%
Applications	4,487	3,606	(880)	-19.6%
Cost of Sales	(51,820)	(64,597)	(12,777)	24.7%
Gross Profit	12,486	15,840	3,355	26.9%
Administration Expenses	(6,125)	(6,958)	(833)	13.6%
Operating Income⁽¹⁾	6,361	8,882	2,521	39.6%
EBITDA⁽²⁾	12,376	17,094	4,718	38.1%
Operating Margin	9.9%	11.0%		
EBITDA Margin	19.2%	21.3%		

Main changes in OPLA between 3Q13 and 3Q14 are described below:

- > 25.4% increase in revenues, to \$27,480 million (US\$45.9 million), explained by higher revenues in the IT services business for \$2,781 million (US\$4.6 million / +17.6% YoY) and the Platforms business for \$2,930 million (US\$ 4.9 million / +60.0% YoY).
- > Operating income of \$3,041 million (US\$5.1 million / +33.7% YoY) and EBITDA of \$5,931 million (US\$9.9 million / +27.0% YoY).
- > Operating margin totaled 11.1%, while EBITDA margin reached 21.6%, increasing by 70bp and 30bp respectively.

Figure 12 – Business in OPLA
3Q13 – 3Q14

Summary of Results OPLA	3Q13	3Q14	Δ \$	Δ %
	Ch\$M	Ch\$M		
Revenues	21,922	27,480	5,558	25.4%
Platforms	4,880	7,810	2,930	60.0%
IT Services	15,806	18,587	2,781	17.6%
Applications	1,236	1,083	(153)	-12.3%
Cost of Sales	(17,597)	(22,081)	(4,484)	25.5%
Gross Profit	4,324	5,399	1,075	24.8%
Administration Expenses	(2,050)	(2,358)	(308)	15.0%
Operating Income⁽¹⁾	2,274	3,041	767	33.7%
EBITDA⁽²⁾	4,671	5,931	1,259	27.0%
Operating Margin	10.4%	11.1%		
EBITDA Margin	21.3%	21.6%		

⁽¹⁾ Operating Income: Gross Profit – Administration Expenses

⁽²⁾ EBITDA: Operating Income + Depreciation and Amortization

Figure 13 – Regional Summary

Regional Summary	Sep-13	Sep-14	Δ \$	Δ %	3Q13	3Q14	Δ \$	Δ %
	Ch\$M	Ch\$M			Ch\$M	Ch\$M		
Chile								
Revenues	218,641	222,400	3,759	1.7%	73,337	74,988	1,651	2.3%
Platforms	108,838	123,233	14,395	13.2%	36,369	41,373	5,004	13.8%
IT Services	100,434	88,390	(12,044)	-12.0%	34,046	29,902	(4,144)	-12.2%
Applications	9,369	10,777	1,408	15.0%	2,922	3,713	792	27.1%
Cost of Sales	(163,891)	(171,533)	(7,643)	4.7%	(55,452)	(56,866)	(1,414)	2.5%
Gross Profit	54,750	50,866	(3,883)	-7.1%	17,885	18,122	238	1.3%
Administration Expenses	(19,955)	(21,551)	(1,596)	8.0%	(7,062)	(7,343)	(280)	4.0%
Operating Income⁽¹⁾	34,795	29,316	(5,479)	-15.7%	10,823	10,780	(43)	-0.4%
EBITDA⁽²⁾	43,588	37,776	(5,812)	-13.3%	13,793	13,574	(219)	-1.6%
<i>Operating Margin</i>	<i>15.9%</i>	<i>13.2%</i>			<i>14.8%</i>	<i>14.4%</i>		
<i>EBITDA Margin</i>	<i>19.9%</i>	<i>17.0%</i>			<i>18.8%</i>	<i>18.1%</i>		
Brazil								
Revenues	162,261	271,131	108,870	67.1%	54,100	112,070	57,970	107.2%
Platforms	36,891	49,883	12,991	35.2%	15,484	18,971	3,486	22.5%
IT Services	100,122	185,936	85,814	85.7%	30,596	82,069	51,473	168.2%
Applications	25,248	35,313	10,065	39.9%	8,020	11,030	3,011	37.5%
Cost of Sales	(135,298)	(235,954)	(100,656)	74.4%	(45,446)	(99,841)	(54,395)	119.7%
Gross Profit	26,964	35,177	8,214	30.5%	8,654	12,230	3,575	41.3%
Administration Expenses	(12,977)	(18,621)	(5,644)	43.5%	(3,827)	(8,406)	(4,579)	119.6%
Operating Income⁽¹⁾	13,987	16,557	2,570	18.4%	4,827	3,824	(1,004)	-20.8%
EBITDA⁽²⁾	20,056	27,507	7,452	37.2%	6,739	9,627	2,889	42.9%
<i>Operating Margin</i>	<i>8.6%</i>	<i>6.1%</i>			<i>8.9%</i>	<i>3.4%</i>		
<i>EBITDA Margin</i>	<i>12.4%</i>	<i>10.1%</i>			<i>12.5%</i>	<i>8.6%</i>		
Mexico								
Revenues	45,709	48,742	3,033	6.6%	17,764	17,843	79	0.4%
Platforms	20,279	20,641	361	1.8%	9,635	8,175	(1,460)	-15.2%
IT Services	25,193	28,102	2,909	11.5%	8,148	9,668	1,520	18.6%
Applications	237	0	(237)	-100.0%	(19)	0	19	-100.0%
Cost of Sales	(35,271)	(36,093)	(822)	2.3%	(14,408)	(13,060)	1,348	-9.4%
Gross Profit	10,438	12,649	2,211	21.2%	3,356	4,782	1,427	42.5%
Administration Expenses	(4,536)	(4,478)	58	-1.3%	(1,236)	(1,455)	(218)	17.7%
Operating Income⁽¹⁾	5,903	8,172	2,269	38.4%	2,120	3,328	1,208	57.0%
EBITDA⁽²⁾	7,434	9,333	1,899	25.5%	2,681	3,746	1,065	39.7%
<i>Operating Margin</i>	<i>12.9%</i>	<i>16.8%</i>			<i>11.9%</i>	<i>18.7%</i>		
<i>EBITDA Margin</i>	<i>16.3%</i>	<i>19.1%</i>			<i>15.1%</i>	<i>21.0%</i>		
OPLA								
Revenues	64,306	80,438	16,132	25.1%	21,922	27,480	5,558	25.4%
Platforms	16,893	22,050	5,157	30.5%	4,880	7,810	2,930	60.0%
IT Services	42,926	54,781	11,856	27.6%	15,806	18,587	2,781	17.6%
Applications	4,487	3,606	(880)	-19.6%	1,236	1,083	(153)	-12.3%
Cost of Sales	(51,820)	(64,597)	(12,777)	24.7%	(17,597)	(22,081)	(4,484)	25.5%
Gross Profit	12,486	15,840	3,355	26.9%	4,324	5,399	1,075	24.8%
Administration Expenses	(6,125)	(6,958)	(833)	13.6%	(2,050)	(2,358)	(308)	15.0%
Operating Income⁽¹⁾	6,361	8,882	2,521	39.6%	2,274	3,041	767	33.7%
EBITDA⁽²⁾	12,376	17,094	4,718	38.1%	4,671	5,931	1,259	27.0%
<i>Operating Margin</i>	<i>9.9%</i>	<i>11.0%</i>			<i>10.4%</i>	<i>11.1%</i>		
<i>EBITDA Margin</i>	<i>19.2%</i>	<i>21.3%</i>			<i>21.3%</i>	<i>21.6%</i>		

⁽¹⁾Operating Income: Gross Profit – Administration Expenses

⁽²⁾EBITDA: Operating Income + Depreciation and Amortization

IV. Analysis of Consolidated Balance Sheet

Assets

Total assets amounted to \$870,768 million (US\$1,453.2 million) as of September 30, 2014, showing an increase of 17.0% compared to December 2013. This was mainly due to an increase in:

- > Goodwill of \$88,132 million (US\$147.1 million), whose balance as of September 30, 2014 was \$272,109 million (US\$454.1 million), mainly due to the consolidation of CTIS and currency conversion effects.
- > Trade account receivable and other receivable of \$74,691 million (US\$124.6), whose balance as of September 30, 2014 was \$214,634 million (US\$358.2 million), mainly due to the acquisition and consolidation of CTIS.
- > Properties, Plants and Equipment for \$15,134 million (US\$25.3 million), whose balance as of September 30, 2014 was \$106,376 million (US\$ 177.5 million), mainly due to the consolidation of CTIS.
- > Intangible Assets other than Goodwill of \$11,931 million (US\$19.9 million), whose balance as of September 30, 2014 was \$44,332 million (US\$74.0 million), mainly due to the consolidation of CTIS and equipment for project development.

Which were partially offset by a decrease in:

- > Cash and Cash Equivalents of \$92,958 million (US\$155.1 million), whose balance as of September 30, 2014 was \$77,903 million (US\$130,0 million), due to the acquisition of CTIS.

Liabilities

Liabilities totaled \$352,150 million (US\$587.7 million) as of September 30, 2014 increasing by 31.0% with respect to December 2013, mainly due to an increase in:

- > Trade account payable and other payable of \$33,120 million (US\$55.3 million) whose balance as of September 30, 2014 was \$128,533 (US\$214.5 million).
- > Non-current account payable of \$21,500 million (US\$35.9 million), whose balance as of September 30, 2014 was \$23,486 million (US\$39.2 million).
- > Other financial current and non-current liabilities of \$18,410 million (US\$30.7 million), whose balance as of September 30, 2014 was \$57,788 million (US\$96.4 million) for the current portion and \$54,738 million (US\$91.3 million) for the non-current portion.

All of the above is mostly due to the consolidation of CTIS.

Indebtedness remains at stable levels in 9M14, with a Leverage ratio (Total Liabilities/Equity) of 0.7x, and a Financial Leverage ratio (Financial Liabilities/Equity) of 0.2x.

Shareholder's Equity

Consolidated Shareholders' Equity Attributable to Owners reached a value of \$513,021 million (US\$856.1 million) in 9M14. The main variations with respect to December 2013 are driven by the currency translation effects on the interest in foreign subsidiaries and the results for the period.

Return on Equity (ROE) reached 8.9%.

Figure 14 – Financial Ratios Summary

Financial Ratios		Sep-13	Sep-14	Δ	Dec-13	Δ
				Sep-14 / Sep-13		Sep-14 / Dec-13
Liquidity						
Current Ratio (Current Assets / Current Liabilities)	(times)	2.3	1.6	-30.1%	1.9	-17.5%
Quick Ratio ((Current Assets - Inventories) / Current Liabilities)	(times)	2.1	1.4	-32.3%	1.8	-20.2%
Working Capital (Current Assets - Current Liabilities)	(Ch M\$)	212,402	144,720	-31.9%	187,564	-22.8%
Indebtedness						
Leverage ((Current Liabilities + Non-current Liabilities) / Equity)	(times)	0.6	0.7	13.6%	0.6	20.2%
Financial Leverage ((Other Current Financial Liabilities + Other Non-current Financial Liabilities) / Equity)	(times)	0.2	0.2	-1.2%	0.2	9.6%
Short-Term Debt (Current Liabilities / Total Liabilities)	(times)	0.6	0.7	16.6%	0.8	-7.1%
Long-Term Debt (Non-Current Liabilities / Total Liabilities)	(times)	0.4	0.3	-25.7%	0.2	22.9%
Financial-Expenses-Coverage Ratio (EBITDA / Financial Expenses)	(times)	16.0	10.2	-36.3%	15.8	-35.8%
Financial Debt to EBITDA Ratio ((Current Liabilities + Non-current Liabilities) / EBITDA ^{1,2})	(times)	0.9	0.9	0.4%	0.8	11.5%
Net Financial Debt to EBITDA Ratio ((Current Liabilities + Non-current Liabilities - Cash and Cash Equivalents - Other Current Financial Assets) / EBITDA ^{1,2})	(times)	(0.6)	0.2	-133.2%	-0.7	-125.5%
Profitability						
ROE (Net Income attrib.to Owners ² / Equity attrib.to Owners ³)	%	13.9%	8.9%	-500 pb	15.4%	-650 pb
ROA (Net Income attrib.to Owners ² / Equity attrib.to Owners ³)	%	8.3%	5.4%	-290 pb	9.2%	-380 pb
Earnings per Share (Net Income attrib.to Owners of Comp. / Total Shares ⁴)	(Ch\$)	68.0	50.2	-26.2%	76.3	-34.2%
Dividend Yield (Dividends Paid ⁵ / Closing Market Stock Price)	%	2.3%	2.5%	20 pb	2.8%	-30 pb

¹ EBITDA = Operating Income + Depreciation and Amortization

² Annual Base

³ Calculated as an average:

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

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

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

⁴ Numbers of shares considered:

- Sep-14 = 871.057.175

- Sep-13 = 871.057.175

- Dec-13 = 871.057.175

⁵ Last 12 months

Statements of Cash Flow

Cash and Cash Equivalents totaled \$77,903 million (US\$130.0 million) as of September 30, 2014, which compares with \$162,314 million (US\$270.9 million) as of September 30, 2013.

Net Operating Cash Flow totaled \$47,179 million in 9M14 (US\$78.7 million), a decrease of 35.9% in comparison with 9M13.

Net Investment Cash Flow was \$53,950 million (US\$90.0 million), increasing the use of funds by \$70,495 million (US\$117.6 million), due to the acquisition of CTIS and to the liquidation of investments in the same period of last year, not repeated this period.

Capital Expenditures (CAPEX) amounts to \$90,717 million (US\$151.4 million) as of September 30, 2014, and consists of permanent investments by \$82,518 million (US\$137.7 million); intangibles by \$1,133 million (US\$1.9 million) and \$7,066 million (US\$11.8 million) invested in the purchase of fixed assets for internal use and for projects with customers.

Net Financing Cash Flow (use of funds) totaled \$89,925 million (US\$150.1 million), decreasing by \$98,101 million (US\$ 163.7 million), primarily due to a reduction in funds collected from the capital increase ended in January 2013, payment of short term debt and payment of larger amount of dividends than last period.

Figure N°15: Statements of Cash Flow

Statements of Cash Flow	Sep-13	Sep-14	Δ \$	Δ %
	Ch\$M	Ch\$M		
Net Cash Flows from (used in) Operating Activities	73,597	47,179	(26,419)	-35.9%
Net Cash Flows from (used in) Investing Activities	16,545	(53,950)	(70,495)	-426.1%
Net Cash Flows from (used in) Financing Activities	8,176	(89,925)	(98,101)	-
Net Increase (Decrease) in Cash and Cash Equivalents before effect of Exchange Rates	98,318	(96,696)	(195,015)	-198.4%
Effect of Exchange Rate changes on Cash and Cash Equivalents	2,685	3,738	1,053	39.2%
Net Increase (Decrease) in Cash and Cash Equivalents	101,004	(92,958)	(193,961)	-192.0%
Cash and Cash Equivalents at beginning of period	61,310	170,861	109,551	178.7%
Cash and Cash Equivalents at End of Period	162,314	77,903	(84,411)	-52.0%