



# 1<sup>st</sup> Quarter 2012

## Press Release

### Inversiones La Construcción y Subsidiaries

March 31<sup>st</sup>, 2012

#### I. HIGHLIGHTS

- As of March 31<sup>st</sup> 2012, ILC reached a net income of \$32,694 million. This was 34.5% higher than the \$24,308 million from the same period of 2011.
- The Operating Result was \$38,151 million, which is 20.1% higher than the same period of the last year.
- As of March 31<sup>st</sup> 2012, the EBITDA increased 25.7%, compared with the same period of last year.

ILC Consolidated Income Statement	Ch\$ millions		US\$ Th. (*)		Var %
	1Q12	1Q11	1Q12	1Q11	
Revenues	178,233	153,578	365,652	315,071	16.1%
Cost of sales	( 111,244)	( 94,718)	( 228,220)	( 194,316)	17.4%
Gross Profit	<b>66,990</b>	<b>58,861</b>	<b>137,432</b>	<b>120,755</b>	<b>13.8%</b>
Other income	143	166	293	340	-13.9%
Administrative expenses	( 25,382)	( 24,577)	( 52,072)	( 50,421)	3.3%
<b>Operating Income</b>	<b>38,151</b>	<b>31,774</b>	<b>78,267</b>	<b>65,185</b>	<b>20.1%</b>
Finance income	14,931	7,161	30,631	14,690	108.5%
Finance cost	( 2,829)	( 2,692)	( 5,804)	( 5,524)	5.1%
Share of profit (loss) of affiliates accounted for using the equity method	1,189	772	2,439	1,584	53.9%
Others	( 1,449)	547	( 2,973)	1,122	-364.9%
<b>Non Operating Income</b>	<b>11,841</b>	<b>5,788</b>	<b>24,292</b>	<b>11,873</b>	<b>104.6%</b>
Profit before tax	49,992	37,561	102,560	77,058	33.1%
Income tax expenses	( 8,746)	( 7,271)	( 17,942)	( 14,916)	20.3%
Income from continuing operations	<b>41,246</b>	<b>30,291</b>	<b>84,618</b>	<b>62,143</b>	<b>36.2%</b>
Minority Interest	( 8,552)	( 5,982)	( 17,545)	( 12,273)	43.0%
<b>Profit to ILC Inversiones</b>	<b>32,694</b>	<b>24,308</b>	<b>67,073</b>	<b>49,869</b>	<b>34.5%</b>
<b>EBITDA (**) to ILC Inversiones</b>	<b>49,088</b>	<b>39,051</b>	<b>100,705</b>	<b>80,114</b>	<b>25.7%</b>

(\*) Exchange rate of Ch\$487.44 as of March 31st, 2012; (\*\*) EBITDA calculated as profit before tax minus depreciation, finance cost, other non operational cost and financial income due to Habitat's encaje

For more information, please contact with:

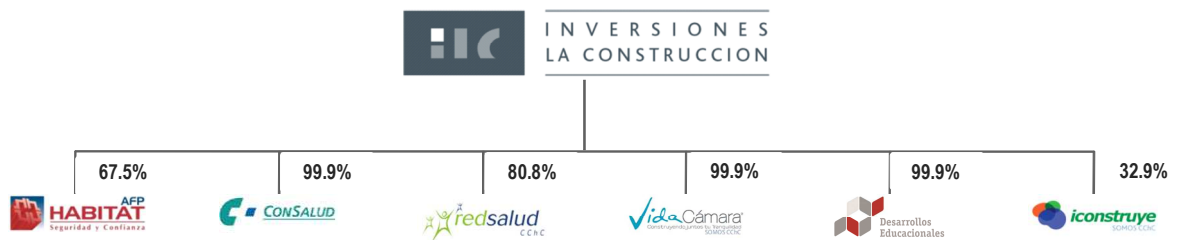
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## II. INTRODUCTION

Since the year 2011, Inversiones la Construcción presents its financial results according to the International Financial Reporting Standards ("IFRS").

## III. SIMPLIFIED STRUCTURE



## IV. EXECUTIVE SUMMARY

We develop our business in different areas; retirement & insurance, private healthcare and others.

- **Retirement & Insurance sector:** We operate in the Retirement & Insurance sector through Habitat, the second-largest pension fund administrator in Chile in terms of number of contributors, account holders and assets under management as of March 31, 2012; Vida Cámara, a life insurance company is the largest disability and survivorship insurance provider in Chile measured by gross written premiums as of March 31, 2012 and that also offers supplemental health and voluntary life insurance products since 2012; and Consalud, the largest private health insurance provider in Chile in terms of contributors and beneficiaries as of March 31, 2012
- **Private Healthcare sector:** We operate in the Private Healthcare sector through Red Salud, one of the largest networks of private hospitals and medical centers in Chile in terms of number of patient beds and medical and dental care boxes. We have four private hospitals (Tabancura, Avansalud, Bicentenario and Iquique), 13 affiliated private hospitals, 1,233 beds (including affiliated private hospitals), 32 medical centers and 897 medical and dental care boxes, as of December 31, 2011
- **Other sectors:** We also participate in the Education sector through Desarrollos Educativos ("Desarrollos Educativos"), which operates nine private schools and one subsidized school in Chile as well as in the Information Technology sector through iConstruye ("iConstruye"), an information technology outsourcing company which offers a business-to-business platform capacity and other information technology solutions.



## V. CONSOLIDATED STATEMENTS

### Income Statement

#### a. Net Income

As of March 31<sup>st</sup> 2012, ILC reached a net income of \$32,694 million. This was 34.5% higher than the \$24,308 million from the same period of 2011. The Operating Result was \$38.151 million, which is 20.1% higher than the same period of the last year. This was mainly due to higher operating results of AFP Habitat, Vida Cámara and Red Salud.

#### b. Operating results

Here are the different sectors defined by the company:

**Retirement & Insurance:** The operating result was \$36,963 million during the first quarter of 2012, mainly explained by the operating results of AFP Habitat \$20,488 million (55% of the sector), Isapre Consalud \$5.126 (14% of the sector) and the insurance company Vida Cámara \$11,349 million (31% of the sector).

**Private Healthcare:** The operating result of this sector was \$2,092 million as of march 2012. It is important to mention that Red Salud launched Bicentenario private hospital on April 2011, and it still have negative operating result due to the rump up expenses.

**Others:** This sector presented and operating result of \$-904 million during the first quarter of 2012.

#### c. Non Operating result

**Non Operating results:** As of March 2012, ILC Inversiones reported earnings for \$11,841 million; this was 105% higher compare with the \$5,788 million for the same period of the last year. This variation is explained due to the higher financial income because of the better results of Habitat's encaje and the financial investments of ILC.



## Balance Sheet

As of March 2012, the consolidated assets of the company totaled \$1,097,889 million and its composition is described below:

<i>ILC Consolidated Balance</i>	<i>Ch\$ millions</i>		<i>US\$ Th. (*)</i>		<i>Var %</i>
	<b>1Q12</b>	<b>12M 11</b>	<b>1Q12</b>	<b>12M 11</b>	
Current Assets	409,417	336,157	839,933	689,638	21.8%
Non-current Assets	688,468	667,935	1,412,417	1,370,292	3.1%
<b>Total Assets</b>	<b>1,097,886</b>	<b>1,004,093</b>	<b>2,252,350</b>	<b>2,059,931</b>	<b>9.3%</b>
Current Liabilities	134,246	131,031	275,410	268,815	2.5%
Non-current Liabilities	346,121	296,695	710,079	608,680	16.7%
Total equity	617,519	576,367	1,266,861	1,182,437	7.1%
<b>Total liabilities and equity</b>	<b>1,097,886</b>	<b>1,004,093</b>	<b>2,252,350</b>	<b>2,059,931</b>	<b>9.3%</b>

(\*) Exchange rate of Ch\$487.44 as of March 31st, 2012

### a. Current assets

The current asset of the company reached \$409,417 million as of March 2012 and \$336,158 million as of December 2011. This increase is mainly explained due to the issuance of Red Salud's bond on January 2012 and due to the revenues from AFP Habitat in this quarter.

### b. Non-current assets

The non-current asset reached \$688,468 million as of March 2012 and \$667,935 million as of December 2011. This increase is explained due to the positive result of the "encaje" from AFP Habitat and purchases related with the same concept.

### c. Liabilities and equity

As of March 2012, the total liabilities and the equity totaled \$1,097,889 million, 9.3% higher than the amount as of December 2011. This increase is related to the issuance of Red Salud's bond and the net income of the period.

### d. Equity attributable to owners of the parent and non-controlling interest

The equity attributable to owners as of March 2012 reaches to \$465,651 million, 7.5% higher than the amount as of December 2011. In the other hand, the non-controlling interest reached \$151,868 million, \$8,510 million higher than the amount as of December 2011. In both cases, the increase is related to the net income of the company.



## VI. BUSINESS UNITS



<b>Habitat</b> <i>Income Statement</i>	<i>Ch\$ millions</i>		<i>US\$ Th. (*)</i>		
	<b>1Q12</b>	<b>1Q11</b>	<b>1Q12</b>	<b>1Q11</b>	<b>Var %</b>
Revenues	31,006	28,812	63,609	59,108	7.6%
Cost of sales	-	-	-	-	0.0%
<b>Gross Profit</b>	<b>31,006</b>	<b>28,812</b>	<b>63,609</b>	<b>59,108</b>	<b>7.6%</b>
Other income	( 28)	( 41)	( 57)	( 84)	-32.3%
Administrative expenses	( 9,826)	( 10,098)	( 20,158)	( 20,716)	-2.7%
<b>Operating Income</b>	<b>21,152</b>	<b>18,673</b>	<b>43,394</b>	<b>38,308</b>	<b>13.3%</b>
Finance income	685	501	1,405	1,028	36.7%
Finance cost	( 3)	( 3)	( 7)	( 7)	-4.7%
Gain (loss) of the encaje	8,783	3,332	18,019	6,836	163.6%
Share of profit (loss) of affiliates accounted for using the equity method	777	522	1,594	1,070	49.0%
Others	( 1)	1	( 3)	3	-218.2%
Profit before tax	31,392	23,025	64,403	47,237	36.3%
Income tax expenses	( 5,274)	( 4,285)	( 10,820)	( 8,792)	23.1%
<b>Profit to Habitat</b>	<b>26,118</b>	<b>18,740</b>	<b>53,583</b>	<b>38,446</b>	<b>39.4%</b>
<b>Profit to Habitat before encaje</b>	<b>17,336</b>	<b>15,408</b>	<b>35,564</b>	<b>31,610</b>	<b>12.5%</b>
<b>EBITDA to Habitat</b>	<b>32,527</b>	<b>23,986</b>	<b>66,730</b>	<b>49,208</b>	<b>35.6%</b>
<b>EBITDAE(**) to Habitat</b>	<b>23,744</b>	<b>20,654</b>	<b>48,711</b>	<b>42,373</b>	<b>15.0%</b>

(\*) Exchange rate of Ch\$487.44 as of March 31st, 2012; (\*\*) EBITDAE calculated as profit before tax minus depreciation, finance cost, other non operational cost and financial income due to Habitat's encaje

### Revenues

The revenues related with the AFP business, including commissions and other revenues, increased \$ 2,194 million (7.6%), compared to the first quarter of 2011. This result is mainly explained due to the higher number of contributors and the salaries of the Habitat contributors.

### Selling, General and Administrative Expenses

The SG&A expenses for the first quarter reached \$ 9,826 million, \$907 million lower compared to the same period of the last year.

### Return of the "Encaje"

In order to assure a minimum return for the pension funds (explained in the article 37 of the DL 3,500), the AFPs are required to hold an asset called "encaje", which is equivalent to 1% of each of the administrated funds

The return of the encaje reached \$8,783 million during the first quarter, which is 163.6% higher (\$5,451 million) compared with the same period of the year 2011.

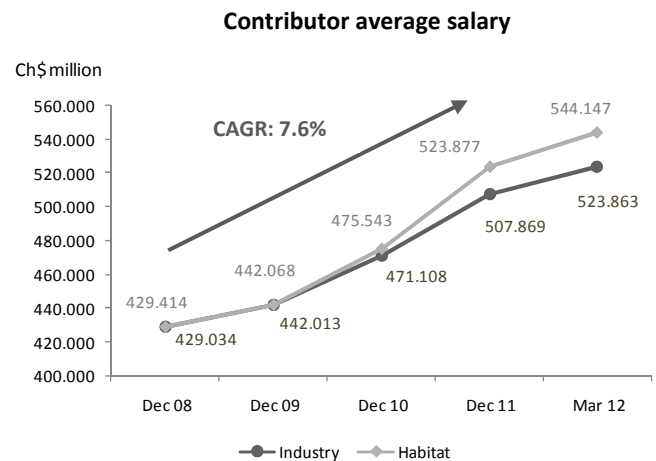
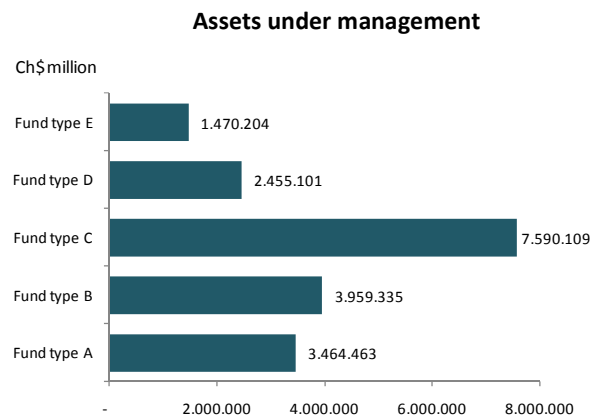


## Operating data

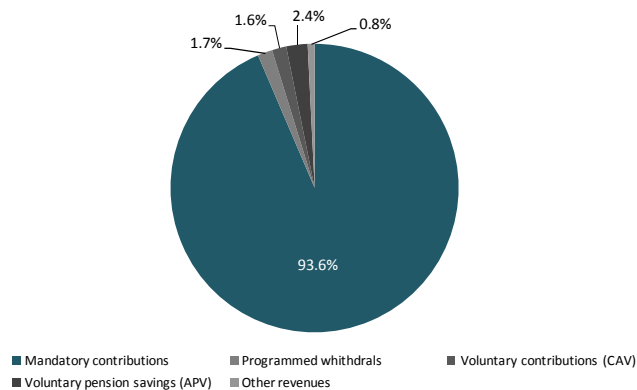
As of March 2012, AFP Habitat continues having a solid position in the Chilean market. This is reflected in a market share close to 25% regarding the number of contributors, number of affiliates and the assets under management.

	<i>AFP Habitat Mar-2012</i>	<i>Market Share (%)</i>
N° Account holders	2,161,111	23.9%
N° Contributors	1,266,231	24.8%
Contributors/Account holders	58.6%	
AUM (Ch\$ million)	18,939,212	25.5%

Regarding the assets under management (AUM), the chart below shows that most of them are allocated in the fund type C and the lower percentage is allocated in the fund type E. The average monthly salary of Habitat's contributors grow at a faster rate than the average of the industry.



The composition of revenues is mainly driven by the mandatory contributions. Nevertheless, the other products such as the Voluntary Pension Saving (APV), the Voluntary Saving Account (CAV) and the programmed retirement have been showing a significant increase over the last periods.





<b>Consalud</b>	<i>Ch\$ millions</i>		<i>US\$ Th. (*)</i>		<b>Var %</b>
<i>Income Statement</i>	<b>1Q12</b>	<b>1Q11</b>	<b>1Q12</b>	<b>1Q11</b>	
Revenues	66,877	59,061	137,200	121,166	13.2%
Cost of sales	( 53,170)	( 45,837)	( 109,079)	( 94,035)	16.0%
<b>Gross Profit</b>	<b>13,707</b>	<b>13,225</b>	<b>28,121</b>	<b>27,131</b>	<b>3.7%</b>
Other income	82	70	169	144	17.8%
Administrative expenses	( 8,664)	( 8,030)	( 17,774)	( 16,475)	7.9%
<b>Operating Income</b>	<b>5,126</b>	<b>5,264</b>	<b>10,516</b>	<b>10,800</b>	<b>-2.6%</b>
Finance income	526	352	1,079	722	49.5%
Finance cost	( 161)	( 27)	( 330)	( 54)	506.6%
Share of profit (loss) of affiliates accounted for using the equity method	-	-	-	-	0.0%
Others	33	( 12)	68	24	-383.4%
<b>Non Operating Income</b>	<b>398</b>	<b>314</b>	<b>817</b>	<b>644</b>	<b>26.9%</b>
Profit before tax	5,524	5,578	11,333	11,443	-1.0%
Income tax expenses	( 1,071)	( 778)	( 2,197)	( 1,596)	37.6%
<b>Income from continuing operations</b>	<b>4,453</b>	<b>4,800</b>	<b>9,136</b>	<b>9,847</b>	<b>-7.2%</b>
Minority Interest	-	-	-	-	0.0%
<b>Profit to Consalud</b>	<b>4,453</b>	<b>4,800</b>	<b>9,136</b>	<b>9,847</b>	<b>-7.2%</b>
<b>EBITDA (**) Consalud</b>	<b>6,127</b>	<b>5,933</b>	<b>12,569</b>	<b>12,171</b>	<b>3.3%</b>

(\*) Exchange rate of Ch\$487.44 as of March 31st, 2012; (\*\*) EBITDA calculated as profit before tax minus depreciation, finance cost and other non operational cost

## Revenues

The revenues related to Consalud increased 13.2%, partly explained by the higher inflation (4.4%) which impact the health plans that are indexed to the UF (currency indexed to the inflation). This increase was also explained by the higher number of contributors (8%), growing from 310,675 as of march 2011 to 335,477 as of march 2012.

## Cost of sales

The 16% increase in costs of Consalud was mainly related with the higher prices charged in the private hospitals and medical centers, and also due to the higher quantity of payment due to the 5.3% increase in the number of beneficiaries of Consalud over the last twelve months.

## Selling, General and Administrative Expenses

The SG&A expenses increased 7.9% compared with the same period of last year. This was mainly due to higher costs of the sales force in Consalud.

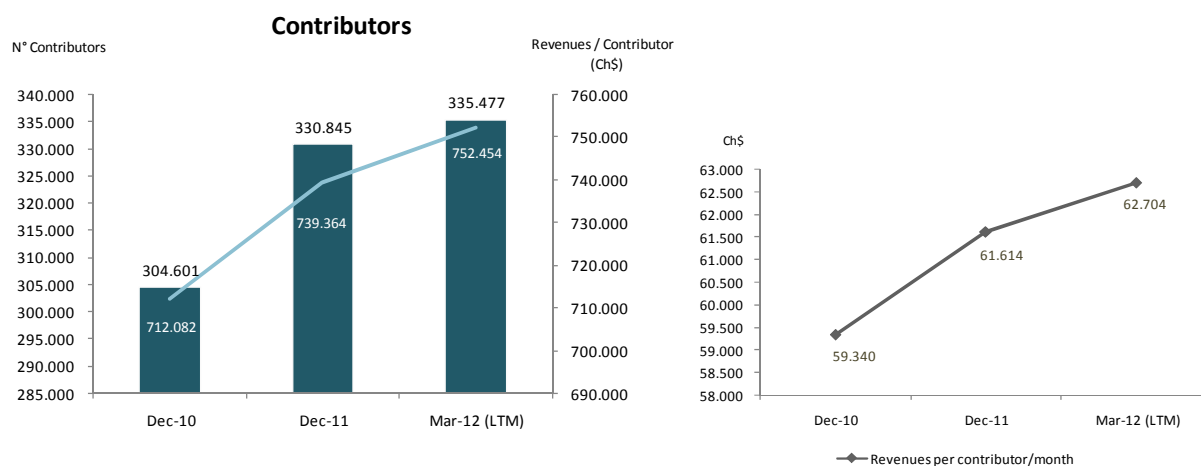
## Operational Data

Over the last periods we increased the contributions paid in Consalud, not only for the mandatory contributions but also for the voluntary ones. This raise is explained by the increase in the salary base and the formal work in the country.

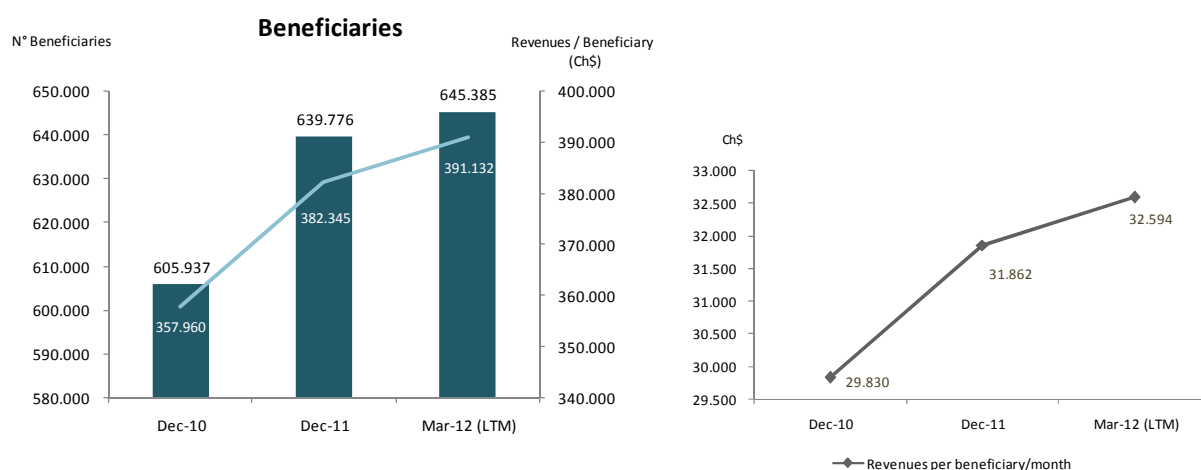
<i>Ch\$ Million</i>	<i>Dec- 10</i>	<i>Dec-11</i>	<i>Mar-12 (LTM)</i>
Mandatory contributions	162,998	182,697	189,085
Voluntary contributions	53,243	62,748	64,149
Others	2,933	3,353	3,380
<b>Total</b>	<b>219,174</b>	<b>248,798</b>	<b>256,614</b>



Along with the increase in the number of contributors, we have faced a raise in the revenues per contributor, reaching \$752,454 as of March 2012. This amount implies an average contribution of \$62,704 per month by contributor.



Regarding the beneficiaries, they show the same tendency, reaching revenue per beneficiary of \$391,132 as of March 2012, which implies an average contribution of \$32,594 per month by beneficiary.







<b>Red Salud</b> <i>Income Statement</i>	<i>Ch\$ millions</i>		<i>US\$ Th. (*)</i>		
	<b>1Q12</b>	<b>1Q11</b>	<b>1Q12</b>	<b>1Q11</b>	<b>Var %</b>
Revenues	37,031	28,113	75,970	57,675	31.7%
Cost of sales	( 28,697)	( 21,812)	( 58,873)	( 44,747)	31.6%
<b>Gross Profit</b>	<b>8,334</b>	<b>6,302</b>	<b>17,097</b>	<b>12,928</b>	<b>32.2%</b>
Other income	289	( 128)	593	( 262)	-325.7%
Administrative expenses	( 6,530)	( 5,931)	( 13,397)	( 12,168)	10.1%
<b>Operating Income</b>	<b>2,092</b>	<b>243</b>	<b>4,292</b>	<b>498</b>	<b>762.6%</b>
Finance income	529	150	1,085	309	251.3%
Finance cost	( 1,676)	( 480)	( 3,439)	( 985)	249.1%
Share of profit (loss) of affiliates accounted for using the equity method	395	255	810	523	54.9%
Others	( 722)	68	( 1,481)	140	-1154.0%
<b>Non Operating Income</b>	<b>( 1,475)</b>	<b>( 6)</b>	<b>( 3,025)</b>	<b>( 13)</b>	<b>23083.4%</b>
Profit before tax	618	236	1,267	485	161.5%
Income tax expenses	( 67)	( 366)	( 137)	( 751)	-81.7%
<b>Income from continuing operations</b>	<b>551</b>	<b>( 130)</b>	<b>1,130</b>	<b>( 267)</b>	<b>-523.8%</b>
Minority Interest	( 33)	( 45)	( 68)	( 92)	-26.2%
<b>Profit to Red Salud</b>	<b>518</b>	<b>( 175)</b>	<b>1,062</b>	<b>( 359)</b>	<b>-395.8%</b>
<b>EBITDA (**) Red Salud</b>	<b>4,768</b>	<b>1,849</b>	<b>9,782</b>	<b>3,792</b>	<b>157.9%</b>

(\*) Exchange rate of Ch\$487.44 as of March 31st, 2012; (\*\*) EBITDA calculated as profit before tax minus depreciation, finance cost and other non operational cost

## Revenues

The revenues increased 31.7%, mainly explained by the higher results from the private hospital Avansalud and Bicentenario. It's important to mention that Bicentenario was launched during the first half of 2011 and Avansalud was affected by an expansion since the second half of 2010 until the first quarter of 2011

## Cost of sales

The raise of 31.6% in the cost is mainly explained by the increase in the operation of the Bicentenario hospital and of the Avansalud hospital.

## Selling, General and Administrative Expenses

The 10.1% increase in Red Salud's SG&A expenses was mainly the result of the increase in the SG&A expenses at our Clínica Bicentenario, due to its increased operations.

## Operational Data

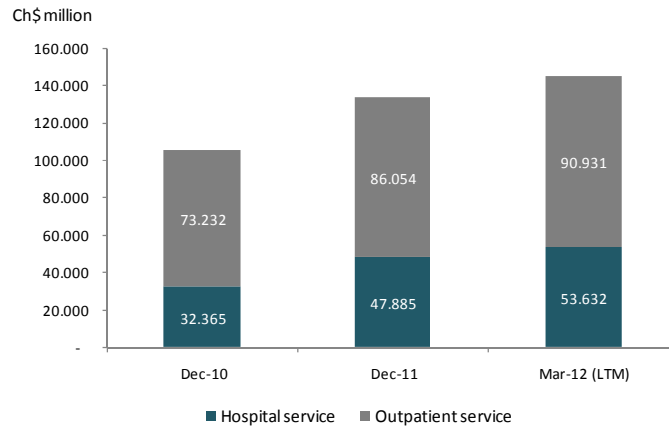
During the last quarter, Red Salud has shown a greater operational performance, related with the higher activity in the hospitals, especially in Bicentenario and Avansalud.

<i>Operational data</i>	<i>Dec-11</i>	<i>Mar-12</i>
Admissions	37,987	11,175
Emergency room visits	90,555	24,783
Surgeries	39,151	14,874
Patient days	89,418	29,203
Acute care average length of stay in days	4.8	5.1
Average occupancy rate *	63%	59%

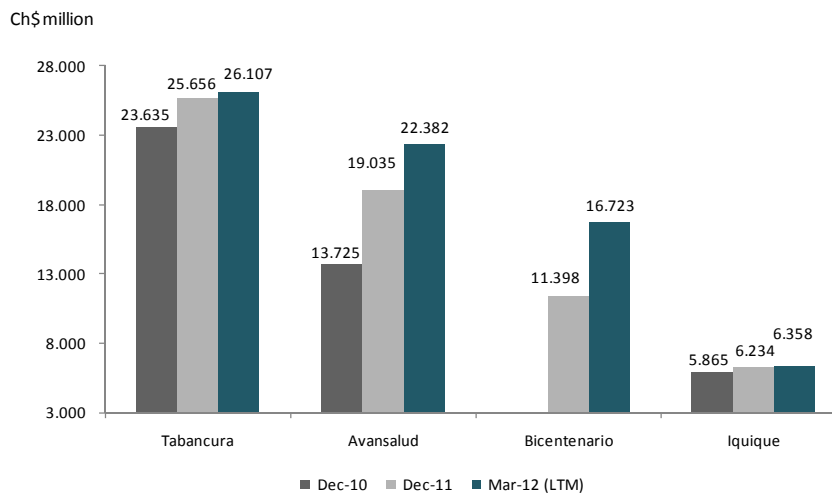
\*Occupancy rates are calculated based on licensed beds. This number does not include the 709 beds our affiliated hospitals had as of March 31st, 2012 and as of December 31st, 2011



In terms of revenues, we can see a better performance over the last periods, increasing the exposure in the private hospital business.



Regarding our private hospitals, we can see the evolution of the revenues on each of them, highlighting the quick improvement of Bicentenario which was launched at the beginning of the year 2011



In terms of our facilities, as of March 2012 Red Salud has:

Number of Medical Boxes	
<b>Total</b>	<b>723</b>
Megasalud	584
Tabancura	1
Avansalud	37
Bicentenario	62
Iquique	39

Number of beds	
<b>Total</b>	<b>1,233</b>
Tabancura	126
Avansalud	100
Bicentenario	230
Iquique	68
Regional private hospital*	709

\* Correspond to our thirteen affiliated hospitals



<b>Vida Cámara</b>	<i>Ch\$ millions</i>		<i>US\$ Th. (*)</i>		<b>Var %</b>
<i>Income Statement</i>	<b>1Q12</b>	<b>1Q11</b>	<b>1Q12</b>	<b>1Q11</b>	
Revenues	40,808	35,535	83,718	72,902	14.8%
Cost of sales	( 28,086)	( 25,921)	( 57,618)	( 53,178)	8.4%
<b>Gross Profit</b>	<b>12,722</b>	<b>9,614</b>	<b>26,100</b>	<b>19,724</b>	<b>32.3%</b>
Other income	( 12)	43	( 25)	88	-128.7%
Administrative expenses	( 1,361)	( 465)	( 2,792)	( 954)	192.6%
<b>Operating Income</b>	<b>11,349</b>	<b>9,192</b>	<b>23,283</b>	<b>18,859</b>	<b>23.5%</b>
Finance income	2,411	2,053	4,946	4,211	17.5%
Finance cost	( 1)	( 4)	( 1)	( 7)	-81.8%
Share of profit (loss) of affiliates accounted for using the equity method	-	-	-	-	0.0%
Others	( 18)	( 25)	( 37)	( 51)	-27.1%
<b>Non Operating Income</b>	<b>2,392</b>	<b>2,024</b>	<b>4,908</b>	<b>4,153</b>	<b>18.2%</b>
Profit before tax	13,741	11,217	28,191	23,011	22.5%
Income tax expenses	( 2,802)	( 2,176)	( 5,749)	( 4,464)	28.8%
<b>Income from continuing operations</b>	<b>10,939</b>	<b>9,041</b>	<b>22,442</b>	<b>18,548</b>	<b>21.0%</b>
Minority Interest	-	-	-	-	0.0%
<b>Profit to Vida Cámara</b>	<b>10,939</b>	<b>9,041</b>	<b>22,442</b>	<b>18,548</b>	<b>21.0%</b>
<b>EBITDA(**) Vida Cámara</b>	<b>13,775</b>	<b>11,245</b>	<b>28,260</b>	<b>23,070</b>	<b>22.5%</b>

(\*) Exchange rate of Ch\$487.44 as of March 31st, 2012; (\*\*) EBITDA calculated as profit before tax minus depreciation, finance cost and other non operational cost

## Revenues

The 14.8% revenue increase was due to the higher monthly salaries which went from \$498,489 to \$537,184. This raise was because the revenues of Vida Cámara are mainly from the prime of the Disability and Survivorship Insurance (SIS) which are charged via the fee of the AFPs contributors. The total number of the AFP contributors grew 5.6%

## Cost of sales

The 8.4% increase in the cost of sales was the result of the higher payments on claims under the SIS insurance program due to the increase in the number of AFP's contributors and their monthly wages.

## Selling, General and Administrative Expenses

The 192.6% increase in the SG&A expenses was due to the higher sales force related to develop two new business lines; the complementary health insurance and the life insurance. This new lines started its operations on January 2012.



<b>Other Business</b>	<i>Ch\$ millions</i>		<i>US\$ Th. (*)</i>		
<i>Income Statement</i>	<b>1Q12</b>	<b>1Q11</b>	<b>1Q12</b>	<b>1Q11</b>	<b>Var %</b>
Revenues	2,265	1,811	4,647	3,716	25.0%
Cost of sales	( 1,291)	( 1,148)	( 2,649)	( 2,356)	12.4%
<b>Gross Profit</b>	<b>974</b>	<b>663</b>	<b>1,998</b>	<b>1,360</b>	<b>46.9%</b>
Other income	( 7)	( 35)	( 14)	( 71)	-80.2%
Administrative expenses	( 1,570)	( 1,216)	( 3,220)	( 2,495)	29.0%
<b>Operating Income</b>	<b>( 603)</b>	<b>( 588)</b>	<b>( 1,236)</b>	<b>( 1,207)</b>	<b>2.5%</b>
Finance income	62	32	128	66	92.7%
Finance cost	( 295)	( 341)	( 605)	( 700)	-13.5%
Share of profit (loss) of affiliates accounted for using the equity method	3	0	6	1	649.4%
Others	( 280)	( 132)	( 574)	( 271)	112.3%
<b>Non Operating Income</b>	<b>( 510)</b>	<b>( 440)</b>	<b>( 1,046)</b>	<b>( 903)</b>	<b>15.8%</b>
Profit before tax	( 1,113)	( 1,028)	( 2,282)	( 2,110)	8.2%
Income tax expenses	253	50	520	102	411.0%
<b>Income from continuing operations</b>	<b>( 859)</b>	<b>( 979)</b>	<b>( 1,763)</b>	<b>( 2,008)</b>	<b>-12.2%</b>
Minority Interest	-	-	-	-	0.0%
<b>Profit Other Business</b>	<b>( 859)</b>	<b>( 979)</b>	<b>( 1,763)</b>	<b>( 2,008)</b>	<b>-12.2%</b>
<b>EBITDA (**) Other Business</b>	<b>( 309)</b>	<b>( 363)</b>	<b>( 634)</b>	<b>( 745)</b>	<b>-15.0%</b>

(\*) Exchange rate of Ch\$487.44 as of March 31st, 2012; (\*\*) EBITDA calculated as profit before tax minus depreciation, finance cost and other non operational cost

## Revenues

The 25.0% increase in the operational revenues was mainly explained by the 43.1% raise of the revenues coming from iConstruye due to higher outsourcing services, and by the 17.0% increase of the revenues from Desarrollos Educacionales due to a greater number of students.

## Cost of sales

The higher cost of sales are mainly explained by the raise of the teacher's salary within Desarrollos Educacionales, as well as the higher cost related with the increased number of student in our schools.

## Selling, General and Administrative Expenses

The increase in the SG&A was related to the higher expenses in maintenance, administration and depreciation from the expansion of the Nahuelcura and Pumahue de Chicureo schools.



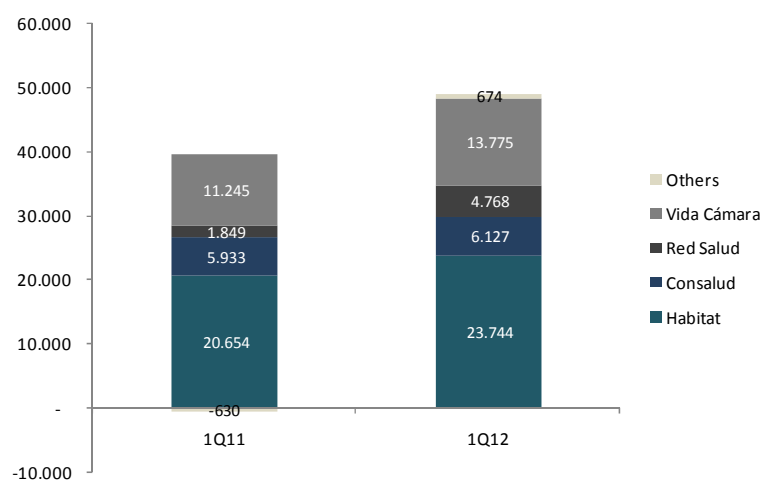
## VII. CONSOLIDATED FINANCIAL DATA

ILC has most of the financial debt allocated in the long term. Here we can highlight the bonds of ILC (A and C series) and the bonds of Red Salud (A and C series) issued the year 2011 and 2012 respectively.

It is important to mention that our local credit risk is AA and AA+ rated by Feller-Rate y Humphreys respectively.

<i>Financial Debt (million)</i>	<i>Ch\$</i>	<i>US\$</i>	<i>Local risk rating</i>		<i>Mar-12</i>
<b>Short Term</b>	<b>16,933</b>	<b>34.7</b>	Feller-Rate		AA
Bonds	2,814	5.8	Humphreys		AA+
Bank loans	7,112	14.6			
Leasing in UF	7,007	14.4			
<b>Long Term</b>	<b>194,435</b>	<b>398.9</b>			
Bonds	98,838	202.8			
Bank loans	38,791	79.6			
Leasing in UF	56,806	116.5			

The consolidated EBITDA of ILC during the first quarter 2012 was \$49,088 million, which represents a 25.7% increase compared with the \$39.051 million of the same period of the last year. The breakdown of the EBITDA by business is the following:



In terms of CAPEX, as of march 2012 these investments accounts for \$2,377 millones, and sums \$12,866 million over the last twelve months. These investments were focused in the health business, highlighting the hospital of the Clinica Bicentenario and the modernization of Avansalud private hospital.

<i>Ch\$ million</i>	<i>Dec-10</i>	<i>Dec-11</i>	<i>Mar-12 (LTM)</i>
CAPEX	20,551	15,852	12,866



## VIII. CONSOLIDATED FINANCIAL STATEMENTS

### INCOME STATEMENT

INCOME STATEMENT	March 31, 2012	March 31, 2011
	Th\$	Th\$
Revenue	178,233,446	153,578,391
Cost of sales	(111,243,548)	(94,717,552)
<b>Gross profit</b>	<b>66,989,898</b>	<b>58,860,839</b>
Other income	142,827	165,964
Administrative expenses	(29,171,808)	(27,122,510)
Other expenses	(68,285)	(207,322)
Other gains	258,074	76,797
Finance income	14,930,916	7,160,639
Finance costs	(2,829,247)	(2,692,377)
Share of profit of equity accounted investees	1,188,672	772,204
Foreign currency exchange gain (loss)	(135,231)	590,073
Gain (loss) from inflation indexed unit	(1,314,076)	(42,978)
Gains from differences between the prior carrying amount and the fair value of reclassified financial assets measured at fair value	0	0
<b>Profit (loss) before tax</b>	<b>49,991,740</b>	<b>37,561,329</b>
Income tax expense	(8,745,552)	(7,270,553)
Profit (loss) from continuing operations	41,246,188	30,290,776
(Loss) from discontinued operations	0	0
<b>Profit for the period</b>	<b>41,246,188</b>	<b>30,290,776</b>
<b>Profit attributable to owners of the parent</b>	<b>32,694,180</b>	<b>24,308,364</b>
Profit attributable to non-controlling interest	8,552,008	5,982,412



## ASSETS

ASSETS	March 31, 2012	Dec 31, 2011
<i>Current assets:</i>	<i>Th\$</i>	<i>Th\$</i>
Cash and cash equivalents	155,478,470	94,043,237
Financial assets	162,489,354	161,115,961
Non-financial assets	9,840,222	8,922,748
Trade and other receivables, net	77,395,950	68,599,461
Accounts receivable due from related parties	973,935	774,172
Inventories	1,653,177	1,733,237
Other assets	37,290	37,290
Current tax recievable	1,548,703	931,654
<b>Total Current Assets</b>	<b>409,417,101</b>	<b>336,157,760</b>
<i>Non current assets:</i>		
Financial assets	199,570,087	188,831,393
Non-financial assets	12,864,086	12,350,996
Trade and other receivables, net	4,304,858	4,277,305
Equity accounted investees	19,054,117	17,083,021
Intangible assets other than goodwill	73,348,163	74,221,556
Goodwill	101,506,809	101,506,809
Property, plant and equipment, net	230,102,848	227,580,991
Investment property	21,631,703	21,682,753
Deferred tax assets	26,085,801	20,400,042
<b>Total non current assets</b>	<b>688,468,472</b>	<b>667,934,866</b>
<b>TOTAL ASSETS</b>	<b>1,097,885,573</b>	<b>1,004,092,626</b>



## LIABILITIES AND EQUITY

<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>March 31, 2012</b>	<b>Dec 31, 2011</b>
<i>Current liabilities</i>	<i>Th\$</i>	<i>Th\$</i>
Financial liabilities	16,933,175	22,425,242
Trade and other payables	65,667,283	61,794,615
Accounts payable due to related parties	500,190	390,110
Other provisions	28,023,358	26,619,490
Current tax Payable	6,231,876	4,171,603
Provisions for employee benefits, current	5,814,732	10,687,674
Other non-financial liabilities	11,075,036	4,942,596
<b>Total current liabilities</b>	<b>134,245,650</b>	<b>131,031,330</b>
<i>Non current liabilities</i>		
Financial liabilities	194,435,369	149,676,759
Accounts payable due to related parties	-	-
Other provisions	97,623,548	98,728,870
Deferred tax liabilities	53,670,809	47,926,740
Provisions for employee benefits	391,395	362,232
<b>Total non current liabilities</b>	<b>346,121,121</b>	<b>296,694,601</b>
<b>Total liabilities</b>	<b>480,366,771</b>	<b>427,725,931</b>
<i>Shareholders' equity</i>		
Share capital	213,772,622	213,772,622
Share premium	269,894	269,894
Retained earnings	151,618,537	119,010,946
Other reserves	99,989,637	99,955,155
<b>Equity attributable to owners of the parent</b>	<b>465,650,690</b>	<b>433,008,617</b>
Non-controlling interests	151,868,112	143,358,078
<b>Total equity</b>	<b>617,518,802</b>	<b>576,366,695</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>1,097,885,573</b>	<b>1,004,092,626</b>





## STATEMENT OF CASH FLOW

STATEMENT OF CASH FLOW	March 31, 2012	March 31, 2011
	Th\$	Th\$
<b>Cash flows from (used in) operating activities:</b>		
Proceeds from sale of services	188,293,207	158,585,845
Proceeds from royalties, deposits, fees and other revenue	8,290,062	8,089,440
Other proceeds from operating activities	4,528,043	5,268,716
Payments to suppliers related to the supply of goods and services	(36,623,791)	(31,551,255)
Payments for brokerage contracts	0	(2,043,672)
Payments to and on behalf of employees	(22,040,311)	(16,648,354)
Payments for premiums and healthcare services, annuities and other obligations arising from written insurance po	(99,714,023)	(82,060,479)
Other payments for operating activities	(3,886,079)	(844,804)
Dividends received	237,208	984,659
Interest paid	(71,523)	(339,385)
Interest received	848,788	619,957
Income taxes (paid)	(7,403,094)	(4,459,884)
Other cash inflows (outflows)	(1,162,785)	(6,216)
<b>Net cash from (used in) operating activities</b>	<b>31,295,702</b>	<b>35,594,568</b>
<b>Cash flows from (used in) investing activities</b>		
Cash flows from the loss of control of subsidiaries or other businesses	0	188,955
Cash flows used to obtain control of subsidiaries or other businesses	0	(9,000)
Cash flows used to acquire non-controlling interest	0	(606,450)
Proceeds from the sale of other entities' equity and other financial instruments	9,466,435	3,993,193
Other payments to acquire other entities' equity and other financial instruments	(8,453,912)	(20,321,908)
Proceeds from sale of investments in joint ventures	0	10,000
Loans to related parties	(1,350,000)	0
Proceeds from sale of property, plant and equipment	22,393	1,657
Acquisitions of property, plant and equipment	(2,376,664)	(5,363,466)
Acquisitions of intangible assets	(144,102)	(128,108)
Acquisitions of other long-term assets	(594,521)	0
Proceeds from reimbursement of advances and loans to third parties	238,034	(284,049)
Due from related companies	1,032,871	0
Interest received	8,989	0
Other cash (outflows)	(349)	(491,530)
<b>Net cash from (used in) investing activities</b>	<b>(2,150,826)</b>	<b>(23,010,706)</b>
<b>Cash flows from (used in) financing activities</b>		
Proceeds from the issuance of share capital	44,467,112	0
Proceeds from long-term loans	669,791	0
Proceeds from short-term loans	2,291,443	4,057
Proceeds from loans from related parties	1,240,270	0
Repayment of borrowings	(12,562,386)	(1,072,148)
Payment of finance lease liabilities	(1,475,844)	(412,265)
Dividends paid	(3,040,903)	(3,067,142)
Interest paid	(412,752)	(3,087,551)
Other cash inflows (outflows)	1,146,671	0
<b>Net cash from (used in) financing activities</b>	<b>32,323,402</b>	<b>(7,635,049)</b>
Net (decrease) increase in cash and cash equivalents before exchange rate fluctuations	61,468,278	4,948,813
Effect of exchange rate fluctuations on cash and cash equivalents	(33,045)	(184,753)
<b>Net increase (decrease) on cash and cash equivalents</b>	<b>61,435,233</b>	<b>4,764,060</b>
<b>Cash and cash equivalent at the beginning of the period</b>	<b>94,043,237</b>	<b>109,050,042</b>
<b>Cash and cash equivalent at the end of the period</b>	<b>155,478,470</b>	<b>113,814,102</b>