



## 2nd Quarter 2012

### Press Release

#### Inversiones La Construcción and Subsidiaries

August 28<sup>th</sup>, 2012

#### I. HIGHLIGHTS

- As of June 30<sup>th</sup> 2012, ILC reached a net income of \$54,562 million. This was 15.8% higher than the \$47,120 million from the same period of 2011.
- The Operating Income was \$73,492 million, which is 11.2% higher than the same period of the last year.
- The EBITDA increased from 81,020 million as of June 30<sup>th</sup>, 2011 to 92,033 million as of June 30<sup>th</sup>, 2012.

<b>ILC Consolidated</b> <i>Income Statement</i>	<i>Ch\$ millions</i>		<i>US\$ Th. (*)</i>		<b>Var %</b>
	<b>1H12</b>	<b>1H11</b>	<b>1H12</b>	<b>1H11</b>	
Revenues	370,260	317,741	726,384	623,352	16.5%
Cost of sales	( 236,732)	( 195,665)	( 464,427)	( 383,861)	21.0%
<b>Gross Profit</b>	<b>133,527</b>	<b>122,076</b>	<b>261,957</b>	<b>239,491</b>	<b>9.4%</b>
Other income	413	808	810	1,586	-48.9%
Administrative expenses	( 60,448)	( 56,793)	( 118,589)	( 111,417)	6.4%
<b>Operating Income</b>	<b>73,492</b>	<b>66,091</b>	<b>144,178</b>	<b>129,660</b>	<b>11.2%</b>
Finance income	14,357	11,006	28,167	21,591	30.5%
Finance cost	( 5,721)	( 5,708)	( 11,224)	( 11,198)	0.2%
Share of profit (loss) of affiliates accounted for using the equity method	2,427	1,578	4,761	3,096	53.8%
Others	( 1,891) -	866	( 3,710) -	1,700	118.3%
<b>Non Operating Income</b>	<b>9,172</b>	<b>6,009</b>	<b>17,994</b>	<b>11,790</b>	<b>52.6%</b>
Profit before tax	82,664	72,101	162,171	141,449	14.7%
Income tax expenses	( 14,559)	( 13,456)	( 28,562)	( 26,399)	8.2%
<b>Income from continuing operations</b>	<b>68,105</b>	<b>58,645</b>	<b>133,610</b>	<b>115,050</b>	<b>16.1%</b>
Minority Interest	( 13,543)	( 11,525)	( 26,569)	( 22,610)	17.5%
<b>Profit to ILC Inversiones</b>	<b>54,562</b>	<b>47,120</b>	<b>107,041</b>	<b>92,441</b>	<b>15.8%</b>
<b>EBITDA (**) to ILC Inversiones</b>	<b>92,033</b>	<b>81,020</b>	<b>180,552</b>	<b>158,946</b>	<b>13.6%</b>

(\*) Exchange rate of Ch\$509.73 as of June 29th, 2012; (\*\*) EBITDA calculated as profit before tax minus depreciation, finance cost, other non operational cost and financial income due to Habitat's encaje

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#### Conference Call Information

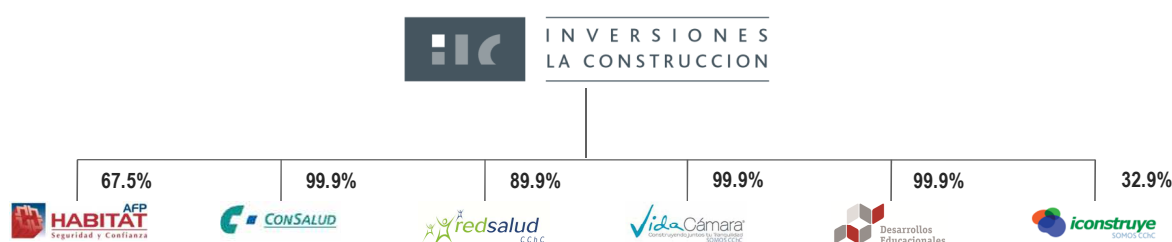
**Date:** Wednesday, August 29th, 2012  
**Time:** 12:00 (Chile / New York)  
**Phone number:**  
Toll free from Chile: 1230-020-5802  
Toll free from USA: 1-877-317 6776  
From other countries: 1-412-317 6776  
**ID:** ILC



## II. INTRODUCTION

Since the year 2011, Inversiones la Construcción S.A. ("ILC") 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 June 30<sup>th</sup>, 2012; Vida Cámara, a life insurance company is the largest disability and survivorship insurance provider in Chile measured by gross written premiums as of June 30, 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 June 30, 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, 1,235 beds (including affiliated private hospitals) and 32 medical centers, as of June 30, 2012.
- **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 June 30<sup>th</sup> 2012, ILC reached a net income of \$54,562 million. This was 15.8% higher than the \$47,120 million from the same period of 2011. The Operating Result was \$73,492 million, which is 11.2% higher than the same period of the last year. This was mainly due to higher operating results of AFP Habitat, Red Salud and Vida Cámara.

#### b. Operating results

Here are the different sectors defined by the company:

**Retirement & Insurance:** The operating result was \$68,554 million during the first half of 2012, mainly explained by the operating results of AFP Habitat \$39,664 million (58% of the sector), Isapre Consalud \$6,922 (10% of the sector) and the insurance company Vida Cámara \$21,969 million (32% of the sector).

**Private Healthcare:** The operating result of this sector was \$4,952 million as of June 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 an operating result of \$-15 million during the first half of 2012.

#### c. Non Operating result

**Non Operating results:** As of June 2012, ILC Inversiones reported earnings for \$9,172 million; this was 53.0% higher compare with the \$6,009 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 June 2012, the consolidated assets of the company totaled \$1,029,195 million and its composition is described below:

<i>ILC Consolidated Balance</i>	<i>Ch\$ millions</i>		<i>US\$ Th. (*)</i>		<i>Var %</i>
	<b>1H12</b>	<b>12M11</b>	<b>1H12</b>	<b>12M11</b>	
Current Assets	339,880	336,158	666,784	659,482	1.1%
Non-current Assets	689,315	667,935	1,352,314	1,310,370	3.2%
<b>Total Assets</b>	<b>1,029,195</b>	<b>1,004,093</b>	<b>2,019,098</b>	<b>1,969,852</b>	<b>2.5%</b>
Current Liabilities	130,642	131,031	256,297	257,060	-0.3%
Non-current Liabilities	347,909	296,695	682,535	582,062	17.3%
Total equity	550,644	576,367	1,080,266	1,130,729	-4.5%
<b>Total liabilities and equity</b>	<b>1,029,195</b>	<b>1,004,093</b>	<b>2,019,098</b>	<b>1,969,852</b>	<b>2.5%</b>

(\*) Exchange rate of Ch\$509.73 as of June 29th, 2012

### a. Current assets

The current asset of the company reached \$339,880 million as of June 2012 and \$336,158 million as of December 2011. This increase is mainly explained due to higher commercial debtors and the higher activity of Clínica Bicentenario.

### b. Non-current assets

The non-current asset reached \$689,315 million as of June 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 June 2012, the total liabilities and the equity totaled \$1,029,195 million, 2.5% higher than the amount as of December 2011. This increase is related to the issuance of Red Salud's bond.

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

The equity attributable to owners as of June 2012 reaches to \$414,377 million, 4.3% lower than the amount as of December 2011. In the other hand, the non-controlling interest reached \$136,267 million; \$7,091 million lower than the amount as of December 2011. In both cases, the decrease is related to the dividend payment.



## VI. BUSINESS UNITS



<b>Habitat</b> <i>Income Statement</i>	<i>Ch\$ millions</i>		<i>US\$ Th. (*)</i>		
	<b>1H12</b>	<b>1H11</b>	<b>1H12</b>	<b>1H11</b>	<b>Var %</b>
Revenues	61,816	56,739	121,272	111,311	8.9%
Cost of sales	-	-	-	-	0.0%
<b>Gross Profit</b>	<b>61,816</b>	<b>56,739</b>	<b>121,272</b>	<b>111,311</b>	<b>8.9%</b>
Other income	( 100)	( 19)	( 197)	( 38)	421.0%
Administrative expenses	( 20,727)	( 20,873)	( 40,662)	( 40,950)	-0.7%
<b>Operating Income</b>	<b>40,989</b>	<b>35,846</b>	<b>80,413</b>	<b>70,324</b>	<b>14.3%</b>
Finance income	1,388	1,021	2,724	2,003	35.9%
Finance cost	( 9)	( 8)	( 18)	( 16)	11.7%
Gain (loss) of the encaje	5,623	4,096	11,031	8,035	37.3%
Share of profit (loss) of affiliates accounted for using the equity method	1,664	1,008	3,264	1,977	65.1%
Others	17	39	33	77	-57.3%
Profit before tax	49,671	42,002	97,446	82,400	18.3%
Income tax expenses	( 8,483)	( 7,677)	( 16,643)	( 15,060)	10.5%
<b>Profit to Habitat</b>	<b>41,188</b>	<b>34,325</b>	<b>80,803</b>	<b>67,340</b>	<b>20.0%</b>
<b>Profit to Habitat before encaje</b>	<b>35,565</b>	<b>30,229</b>	<b>69,772</b>	<b>59,304</b>	<b>17.7%</b>
<b>EBITDA to Habitat</b>	<b>51,924</b>	<b>44,039</b>	<b>101,866</b>	<b>86,397</b>	<b>17.9%</b>
<b>EBITDAE(**) to Habitat</b>	<b>46,302</b>	<b>39,943</b>	<b>90,835</b>	<b>78,361</b>	<b>15.9%</b>

(\*) Exchange rate of Ch\$509.73 as of June 29th, 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 \$5,077 million (8.9%), compared to the first half 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 half reached \$ 20,727million, \$146 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 \$5,623 million during the first half, which is 37.3% higher (\$1,527 million) compared with the same period of the year 2011.



## Operating data

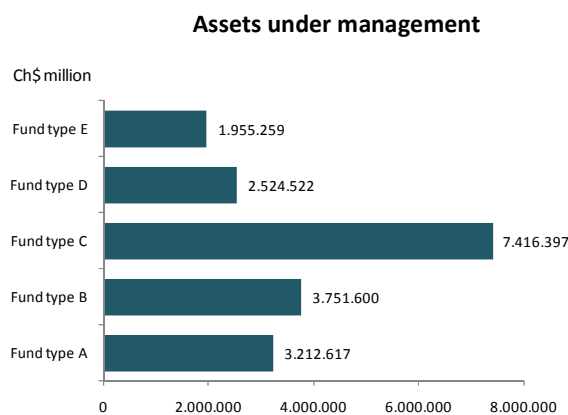
As of June 2012, AFP Habitat continues having a solid position in the Chilean market. This is reflected in a market share close to 25% regarding the number of contributors, number of account holders and the assets under management.

	<i>AFP Habitat Jun-2012</i>	<i>Market Share (%)</i>
N° Account holders	2,158,676	23.5%
N° Contributors	1,259,735	24.7%
Contributors/Account holders	58.4%	
Assets under management (MM\$)	18,860,395	25.7%

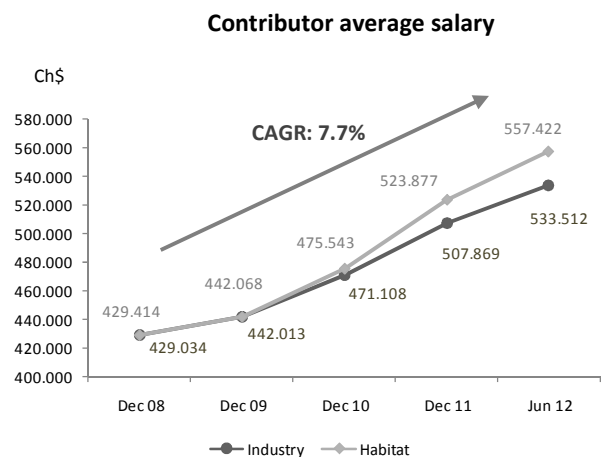
Source: Superintendencia de Pensiones

Regarding the assets under management (AUM) of Habitat, the chart below shows that most of them are allocated in the fund

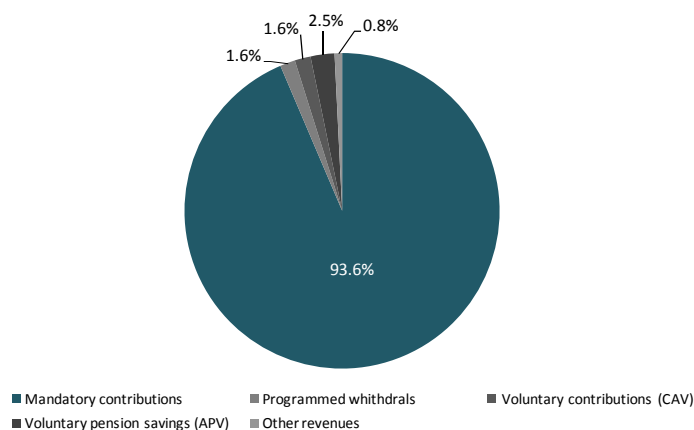
type C and the lower percentage is allocated in the fund type E. The average monthly salary of Habitat's contributors grow at a faster rate than the average of the industry.



Source: Superintendencia de Pensiones



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>1H12</b>	<b>1H11</b>	<b>1H12</b>	<b>1H11</b>	
Revenues	134,576	119,249	264,014	233,945	12.9%
Cost of sales	( 109,786)	( 94,647)	( 215,381)	( 185,680)	16.0%
<b>Gross Profit</b>	<b>24,790</b>	<b>24,602</b>	<b>48,633</b>	<b>48,264</b>	<b>0.8%</b>
Other income	367	720	720	1,413	-49.0%
Administrative expenses	( 18,235)	( 16,477)	( 35,774)	( 32,324)	10.7%
<b>Operating Income</b>	<b>6,922</b>	<b>8,846</b>	<b>13,580</b>	<b>17,354</b>	<b>-21.7%</b>
Finance income	932	814	1,828	1,597	14.5%
Finance cost	( 283)	( 258)	( 555)	( 505)	9.9%
Share of profit (loss) of affiliates accounted for using the equity method	-	-	-	-	0.0%
Others	21	( 41)	41	( 81)	-150.0%
<b>Non Operating Income</b>	<b>669</b>	<b>515</b>	<b>1,313</b>	<b>1,010</b>	<b>30.0%</b>
Profit before tax	7,591	9,361	14,893	18,364	-18.9%
Income tax expenses	( 1,416)	( 1,584)	( 2,778)	( 3,107)	-10.6%
<b>Income from continuing operations</b>	<b>6,175</b>	<b>7,777</b>	<b>12,115</b>	<b>15,257</b>	<b>-20.6%</b>
Minority Interest	-	-	-	-	0.0%
<b>Profit to Consalud</b>	<b>6,175</b>	<b>7,777</b>	<b>12,115</b>	<b>15,257</b>	<b>-20.6%</b>
<b>EBITDA (**) Consalud</b>	<b>8,763</b>	<b>10,504</b>	<b>17,192</b>	<b>20,607</b>	<b>-16.6%</b>

(\*) Exchange rate of Ch\$509.73 as of June 29th, 2012; (\*\*) EBITDA calculated as profit before tax minus depreciation, finance cost and other non operational cost

## Revenues

The revenues related to Consalud increased 12.9%, partly explained by the higher inflation which impacts 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, reaching 338,948 as of June 2012.

## Cost of sales

The 16.0% 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 increase in the number of beneficiaries of Consalud over the last twelve months.

## Selling, General and Administrative Expenses

The SG&A expenses increased 10.7% compared with the same period of last year. This was mainly due to higher costs of the sales force in Consalud.

## Operational Data

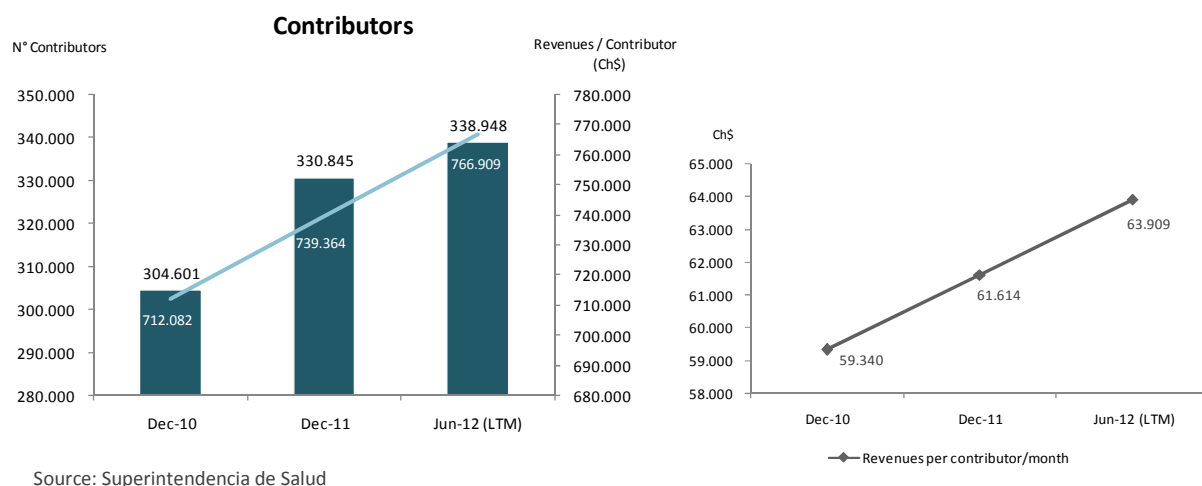
Over the last periods we increased the contributions paid in Consalud, not only for the mandatory contributions but also for the voluntary ones. This raise is explained by the increase in the salary base and the formal work in the country.

<i>Ch\$ Million</i>	<b>Dec- 10</b>	<b>Dec-11</b>	<b>Jun-12 (LTM)</b>
Mandatory contributions	162,998	182,697	197,204
Voluntary contributions	53,243	62,748	66,701
Others	2,933	3,353	3,939
<b>Total</b>	<b>219,174</b>	<b>248,798</b>	<b>267,843</b>

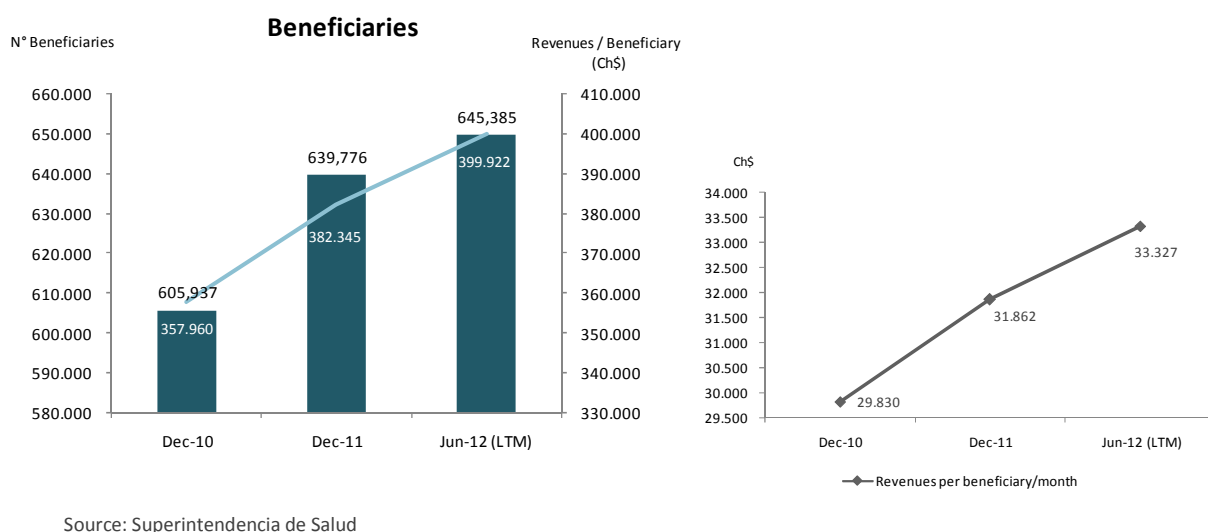
Source: Superintendencia de Salud



Along with the increase in the number of contributors, we have faced a raise in the revenues per contributor, reaching \$766,909 as of June 2012 (LTM). This amount implies an average contribution of \$63,909 per month by contributor.



Regarding the beneficiaries, they show the same tendency, reaching revenue per beneficiary of \$399,922 as of June 2012, which implies an average contribution of \$33,327 per month by beneficiary.







<b>Red Salud</b> <i>Income Statement</i>	<i>Ch\$ millions</i>		<i>US\$ Th. (*)</i>		
	<b>1H12</b>	<b>1H11</b>	<b>1H12</b>	<b>1H11</b>	<b>Var %</b>
Revenues	78,355	62,316	153,719	122,253	25.7%
Cost of sales	( 60,752)	( 47,438)	( 119,185)	( 93,066)	28.1%
<b>Gross Profit</b>	<b>17,603</b>	<b>14,878</b>	<b>34,534</b>	<b>29,187</b>	<b>18.3%</b>
Other income	278	( 549)	546	( 1,076)	-150.8%
Administrative expenses	( 12,929)	( 12,415)	( 25,365)	( 24,356)	4.1%
<b>Operating Income</b>	<b>4,952</b>	<b>1,914</b>	<b>9,715</b>	<b>3,755</b>	<b>158.8%</b>
Finance income	1,152	467	2,260	916	146.8%
Finance cost	( 3,352)	( 1,445)	( 6,576)	( 2,836)	131.9%
Share of profit (loss) of affiliates accounted for using the equity method	747	570	1,466	1,118	0.0%
Others	( 1,104)	( 667)	( 2,167)	( 1,308)	65.6%
<b>Non Operating Income</b>	<b>( 2,557)</b>	<b>( 1,075)</b>	<b>( 5,016)</b>	<b>( 2,110)</b>	<b>137.8%</b>
Profit before tax	2,395	839	4,699	1,645	185.7%
Income tax expenses	( 506)	( 302)	( 992)	( 593)	67.3%
<b>Income from continuing operations</b>	<b>1,890</b>	<b>536</b>	<b>3,707</b>	<b>1,052</b>	<b>252.4%</b>
Minority Interest	90	175	177	343	-48.4%
<b>Profit to Red Salud</b>	<b>1,800</b>	<b>361</b>	<b>3,530</b>	<b>709</b>	<b>397.9%</b>
<b>EBITDA (**)</b> Red Salud	<b>10,539</b>	<b>6,051</b>	<b>20,676</b>	<b>11,870</b>	<b>74.2%</b>

(\*) Exchange rate of Ch\$509.73 as of June 29th, 2012; (\*\*) EBITDA calculated as profit before tax minus depreciation, finance cost and other non operational cost

## Revenues

The revenues increased 25.7%, 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 28.1% 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 4.1% 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

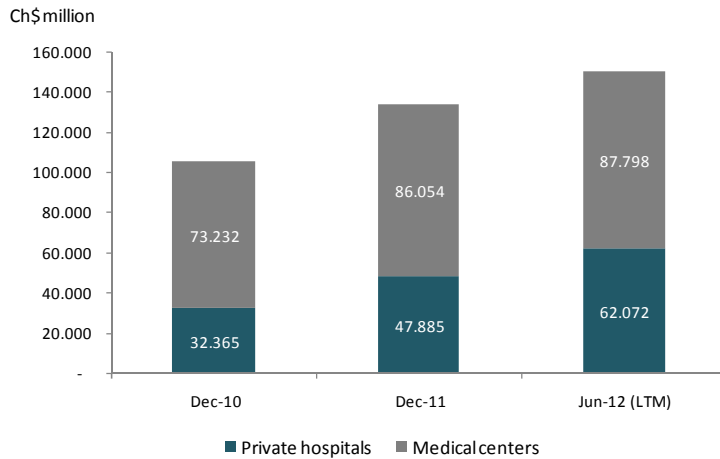
During the last half, Red Salud has shown a greater operational performance, related with the higher activity in the hospitals, especially in Bicentenario and Avansalud.

<i>Operational data</i>	<i>Dec-11</i>	<i>Jun-12</i>
Admissions	37,987	23,455
Emergency room visits	90,555	52,880
Surgeries	39,151	24,057
Patient days	89,418	57,210
Average length of stay in days	2.6	2.6
Average occupancy rate	63%	62%

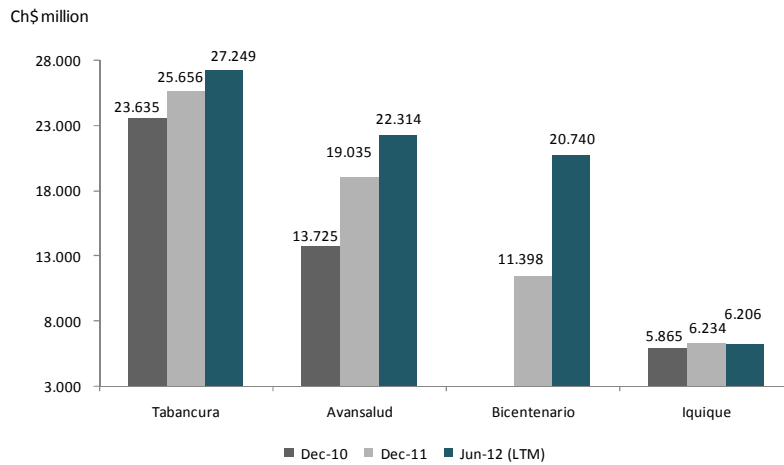
Occupancy rates are calculated based on licensed beds. This number does not include the 709 beds of our affiliated hospitals



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 June 2012 Red Salud has:

Number of Boxes	
Total	732
Megasalud	584
Tabancura	39
Avansalud	62
Bicentenario	36
Iquique	11

Number of beds	
Total	1,235
Tabancura	128
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>		
<i>Income Statement</i>	<b>1H12</b>	<b>1H11</b>	<b>1H12</b>	<b>1H11</b>	<b>Var %</b>
Revenues	87,962	72,765	172,566	142,752	20.9%
Cost of sales	( 63,191)	( 51,032)	( 123,970)	( 100,116)	23.8%
<b>Gross Profit</b>	<b>24,771</b>	<b>21,733</b>	<b>48,596</b>	<b>42,636</b>	<b>14.0%</b>
Other income	-	-	-	-	0.0%
Administrative expenses	( 2,802)	( 854)	( 5,497)	( 1,675)	228.2%
<b>Operating Income</b>	<b>21,969</b>	<b>20,879</b>	<b>43,099</b>	<b>40,961</b>	<b>5.2%</b>
Finance income	2,054	1,627	4,029	3,191	26.3%
Finance cost	( 2)	( 4)	( 4)	( 9)	-48.6%
Share of profit (loss) of affiliates accounted for using the equity method	-	-	-	-	0.0%
Others	87	181	170	356	-52.2%
<b>Non Operating Income</b>	<b>2,138</b>	<b>1,803</b>	<b>4,194</b>	<b>3,538</b>	<b>18.6%</b>
Profit before tax	24,107	22,682	47,293	44,499	6.3%
Income tax expenses	( 4,487)	( 4,401)	( 8,803)	( 8,634)	2.0%
<b>Income from continuing operations</b>	<b>19,620</b>	<b>18,281</b>	<b>38,491</b>	<b>35,865</b>	<b>7.3%</b>
Minority Interest	-	-	-	-	0.0%
<b>Profit to Vida Cámara</b>	<b>19,620</b>	<b>18,281</b>	<b>38,491</b>	<b>35,865</b>	<b>7.3%</b>
<b>EBITDA(**) Vida Cámara</b>	<b>24,054</b>	<b>22,506</b>	<b>47,189</b>	<b>44,152</b>	<b>6.9%</b>

(\*) Exchange rate of Ch\$509.73 as of June 29th, 2012; (\*\*) EBITDA calculated as profit before tax minus depreciation, finance cost and other non operational cost

## Revenues

The 20.9% revenue increase 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. This increase is also explained by the launch of two new insurances, the complementary health insurance, highlighting the incorporation of 71,400 new beneficiaries between January and June of this year, and the life insurance.

## Cost of sales

The 23.8% 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, and the claims coming from the new insurances.

## Selling, General and Administrative Expenses

The 228.2% 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>Income Statement</i>	<i>Ch\$ millions</i>		<i>US\$ Th. (*)</i>		<b>Var %</b>
	<b>1H12</b>	<b>1H11</b>	<b>1H12</b>	<b>1H11</b>	
Revenues	7,050	5,925	13,832	11,624	19.0%
Cost of sales	( 3,003)	( 2,548)	( 5,891)	( 4,999)	17.8%
<b>Gross Profit</b>	<b>4,048</b>	<b>3,377</b>	<b>7,941</b>	<b>6,625</b>	<b>19.9%</b>
Other income	46	37	89	72	23.4%
Administrative expenses	( 3,374)	( 3,154)	( 6,619)	( 6,187)	7.0%
<b>Operating Income</b>	<b>719</b>	<b>260</b>	<b>1,411</b>	<b>510</b>	<b>176.6%</b>
Finance income	86	60	168	118	42.4%
Finance cost	( 671)	( 740)	( 1,316)	( 1,452)	-9.4%
Share of profit (loss) of affiliates accounted for using the equity method	6	( 0)	11	( 0)	0.0%
Others	( 401)	( 433)	( 786)	( 849)	-7.4%
<b>Non Operating Income</b>	<b>( 980)</b>	<b>( 1,113)</b>	<b>( 1,923)</b>	<b>( 2,183)</b>	<b>-11.9%</b>
Profit before tax	( 261)	( 853)	( 512)	( 1,673)	-69.4%
Income tax expenses	18	27	35	52	-33.5%
<b>Income from continuing operations</b>	<b>( 243)</b>	<b>( 826)</b>	<b>( 477)</b>	<b>( 1,621)</b>	<b>-70.6%</b>
Minority Interest	-	-	-	-	0.0%
<b>Profit Other Business</b>	<b>( 243)</b>	<b>( 826)</b>	<b>( 477)</b>	<b>( 1,621)</b>	<b>-70.6%</b>
<b>EBITDA (**)</b>	<b>1,223</b>	<b>676</b>	<b>2,399</b>	<b>1,327</b>	<b>80.8%</b>

(\*) Exchange rate of Ch\$509.73 as of June 29th, 2012; (\*\*) EBITDA calculated as profit before tax minus depreciation, finance cost and other non operational cost

## Revenues

The 19.0% increase in the operational revenues was mainly explained by the raise of the revenues coming from iConstruye due to higher outsourcing services, and by the 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. This cost is also explained by the salary expenses in iConstruye

## Selling, General and Administrative Expenses

The 7.0% increase in the SG&A was related to the higher expenses in maintenance and administration of Desarrollos Educacionales and to the marketing expenses in iConstruye.



## VII. CONSOLIDATED FINANCIAL DATA

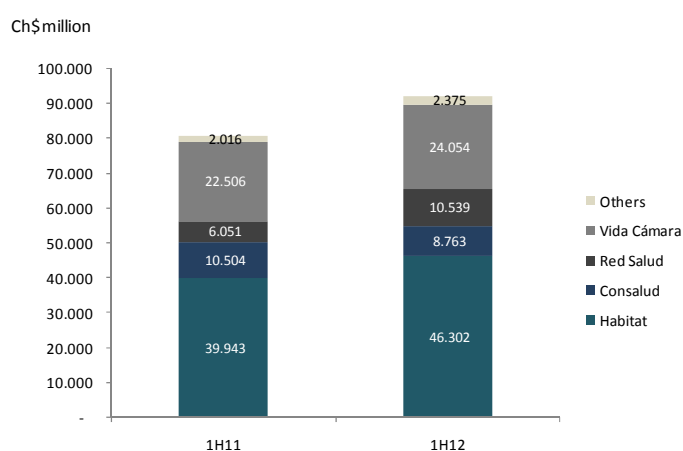
ILC has most of the financial debt allocated in the long term. Here we can highlight the bonds of ILC (A and C series) and the bonds of Red Salud (A and C series) issued the year 2011 and 2012 respectively.

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>Jun-12</i>
<b>Short Term</b>	<b>17,958</b>	<b>35.2</b>	Feller-Rate	AA
Bonds	220	0.4	Humphreys	AA+
Bank loans	10,093	19.8		
Leasing in UF	7,645	15.0		
<b>Long Term</b>	<b>193,493</b>	<b>379.6</b>		
Bonds	98,931	194.1		
Bank loans	36,498	71.6		
Leasing in UF	58,064	113.9		

The financial debt related to Inversiones la Construcción S.A. is Ch\$54,671 million

The consolidated EBITDA of ILC during the first half 2012 was \$92,033 million, which represents a 13.6% increase compared with the \$81,020 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 June 2012 these investments accounts for \$12,894 million, and sums \$18,291 million over the last twelve months. These investments were focused in the health and education business, highlighting the expansion of the Clinica Tabancura.

<i>Ch\$ million</i>	<i>Dec-10</i>	<i>Dec-11</i>	<i>Jun-12 (LTM)</i>
CAPEX	20,551	15,852	18,291



## VIII. CONSOLIDATED FINANCIAL STATEMENTS

### INCOME STATEMENT

INCOME STATEMENT	June 30, 2012	June 30, 2011
	Th\$	Th\$
Revenue	370,259,726	317,741,233
Cost of sales	(236,732,317)	(195,665,476)
<b>Gross profit</b>	<b>133,527,409</b>	<b>122,075,757</b>
Other income	412,835	808,279
Administrative expenses	(60,565,023)	(56,107,282)
Other expenses	(166,096)	(249,451)
Other gains	282,669	(435,951)
Finance income	14,357,473	11,005,590
Finance costs	(5,721,194)	(5,708,114)
Share of profit of equity accounted investees	2,426,719	1,578,303
Foreign currency exchange gain (loss)	(22,875)	(355,574)
Gain (loss) from inflation indexed unit	(1,868,250)	(510,723)
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>82,663,667</b>	<b>72,100,834</b>
Income tax expense	(14,558,693)	(13,456,290)
Profit (loss) from continuing operations	68,104,974	58,644,544
(Loss) from discontinued operations	0	0
<b>Profit for the period</b>	<b>68,104,974</b>	<b>58,644,544</b>
<b>Profit attributable to owners of the parent</b>	<b>54,561,876</b>	<b>47,119,732</b>
Profit attributable to non-controlling interest	13,543,098	11,524,812



## ASSETS

ASSETS	June 30, 2012	Dec 31, 2011
<i>Current assets:</i>	<i>Th\$</i>	<i>Th\$</i>
Cash and cash equivalents	87,164,667	94,043,237
Financial assets	156,102,507	161,115,961
Non-financial assets	9,621,011	8,922,748
Trade and other receivables, net	79,141,473	68,599,461
Accounts receivable due from related parties	4,195,597	774,172
Inventories	1,894,915	1,733,237
Other assets	37,290	37,290
Current tax recievable	1,722,593	931,654
<b>Total Current Assets</b>	<b>339,880,053</b>	<b>336,157,760</b>
<i>Non current assets:</i>		
Financial assets	198,291,732	188,831,393
Non-financial assets	13,209,631	12,350,996
Trade and other receivables, net	4,006,379	4,277,305
Equity accounted investees	18,552,216	17,083,021
Intangible assets other than goodwill	73,377,356	74,221,556
Goodwill	101,506,809	101,506,809
Property, plant and equipment, net	236,770,034	227,580,991
Investment property	21,571,421	21,682,753
Deferred tax assets	22,029,230	20,400,042
<b>Total non current assets</b>	<b>689,314,808</b>	<b>667,934,866</b>
<b>TOTAL ASSETS</b>	<b>1,029,194,861</b>	<b>1,004,092,626</b>

The cash and cash equivalent is explained by Th. Ch\$28,526,770 corresponding to cash and current financial instruments for ILC and by Th. Ch\$58,637,897 for its subsidiaries

The current financial assets is explained by Th. Ch\$15,547,507 corresponding to current financial instruments for ILC and by Th. Ch\$140,555,000 for its subsidiaries

On July 20<sup>th</sup>, 2012, ILC made an Initial Public Offering of 32,193,892 shares at Ch\$7,061 per share. The primary shares offered were 3,687,991



## LIABILITIES AND EQUITY

<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>June 30, 2012</b>	<b>Dec 31, 2011</b>
<i>Current liabilities</i>	<i>Th\$</i>	<i>Th\$</i>
Financial liabilities	17,958,525	22,425,242
Trade and other payables	67,571,590	61,794,615
Accounts payable due to related parties	258,478	390,110
Other provisions	27,760,845	26,619,490
Current tax Payable	1,788,280	4,171,603
Provisions for employee benefits, current	7,597,902	10,687,674
Other non-financial liabilities	7,706,635	4,942,596
<b>Total current liabilities</b>	<b>130,642,255</b>	<b>131,031,330</b>
<i>Non current liabilities</i>		
Financial liabilities	193,492,855	149,676,759
Accounts payable due to related parties	-	-
Other provisions	104,522,666	98,728,870
Deferred tax liabilities	49,449,333	47,926,740
Provisions for employee benefits	443,692	362,232
<b>Total non current liabilities</b>	<b>347,908,546</b>	<b>296,694,601</b>
<b>Total liabilities</b>	<b>478,550,801</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	100,028,863	119,010,946
Other reserves	100,305,869	99,955,155
<b>Equity attributable to owners of the parent</b>	<b>414,377,248</b>	<b>433,008,617</b>
Non-controlling interests	136,266,812	143,358,078
<b>Total equity</b>	<b>550,644,060</b>	<b>576,366,695</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>1,029,194,861</b>	<b>1,004,092,626</b>





## STATEMENT OF CASH FLOW

STATEMENT OF CASH FLOW	June 30, 2012	June 30, 2011
	Th\$	Th\$
<b>Cash flows from (used in) operating activities:</b>		
Proceeds from sale of services	374,364,587	325,410,840
Proceeds from royalties, deposits, fees and other revenue	16,892,803	15,668,146
Other proceeds from operating activities	9,627,791	13,118,457
Payments to suppliers related to the supply of goods and services	(78,451,874)	(71,803,172)
Payments for brokerage contracts	0	0
Payments to and on behalf of employees	(42,769,083)	(35,575,286)
Payments for premiums and healthcare services, annuities and other obligations arising from written insurance po	(188,971,587)	(167,925,406)
Other payments for operating activities	(1,300,314)	(2,694,131)
Dividends received	1,150,624	2,637,493
Interest paid	(283,063)	(724,378)
Interest received	2,798,635	1,488,410
Income taxes (paid)	(18,406,043)	(19,019,588)
Other cash inflows (outflows)	(2,125,016)	(1,366,789)
<b>Net cash from (used in) operating activities</b>	<b>72,527,460</b>	<b>59,214,596</b>
<b>Cash flows from (used in) investing activities</b>		
Cash flows from the loss of control of subsidiaries or other businesses	(2,346,396)	188,955
Cash flows used to obtain control of subsidiaries or other businesses	(51,049)	0
Cash flows used to acquire non-controlling interest	(10,243,200)	(1,600,450)
Proceeds from the sale of other entities' equity and other financial instruments	59,123,601	19,827,507
Other payments to acquire other entities' equity and other financial instruments	(55,516,473)	(18,128,320)
Proceeds from sale of investments in joint ventures	0	0
Loans to related parties	(23,981,308)	(61,743)
Proceeds from sale of property, plant and equipment	(20,235)	256,828
Acquisitions of property, plant and equipment	(12,893,501)	(10,454,084)
Proceeds from sale of intangible assets	(14,338)	0
Acquisitions of intangible assets	(163,039)	(372,454)
Proceeds from other long term assets	0	(1,655,361)
Acquisitions of other long-term assets	(250,000)	(515,983)
Proceeds from reimbursement of advances and loans to third parties	0	0
Payment from future contracts	(12,006)	0
Due from future contracts	296,494	0
Due from related companies	23,268,448	0
Interest received	0	0
Other cash (outflows)	0	(19,576)
<b>Net cash from (used in) investing activities</b>	<b>(22,803,002)</b>	<b>(12,534,681)</b>
<b>Cash flows from (used in) financing activities</b>		
Proceeds from the issuance of share capital	44,467,112	12,029,970
Proceeds from long-term loans	5,967,991	8,680,483
Proceeds from short-term loans	0	0
Proceeds from loans from related parties	1,700,295	(1,248)
Repayment of borrowings	(12,893,080)	(12,334,246)
Payment of finance lease liabilities	(899,981)	(1,031,296)
Dividends paid	(87,247,499)	(29,899,006)
Interest paid	(6,530,398)	(2,962,695)
Reimbursed earnings taxes	(1,047)	0
Other cash inflows (outflows)	(60,197)	0
<b>Net cash from (used in) financing activities</b>	<b>(55,496,804)</b>	<b>(25,518,038)</b>
Net (decrease) increase in cash and cash equivalents before exchange rate fluctuations	(6,866,350)	21,161,877
Effect of exchange rate fluctuations on cash and cash equivalents	(12,220)	(19,753)
<b>Net increase (decrease) on cash and cash equivalents</b>	<b>(6,878,570)</b>	<b>21,142,124</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>87,164,667</b>	<b>130,192,166</b>