



# 3rd Quarter 2012

## Press Release

### ILC Inversiones and Subsidiaries

November 26<sup>th</sup>, 2012

#### I. HIGHLIGHTS

- On July 20<sup>th</sup> 2012, ILC placed the largest IPO in Chilean history, reaching US\$ 468 million.
- As of September 30<sup>th</sup> 2012, ILC reach a Net Income of \$66,926 million, which is 21.6% higher than the same period of the last year.
- The Operating Income increased from \$90,614 million as of September 30<sup>th</sup>, 2011 to \$96,910 million as of September 30<sup>th</sup>, 2012

<i>ILC Consolidated</i> <i>Income Statement</i>	<i>Ch\$ millions</i>		<i>US\$ Th. (*)</i>		<i>Var %</i>
	<b>3Q12</b>	<b>3Q11</b>	<b>3Q12</b>	<b>3Q11</b>	
Revenues	519,238	486,470	1,103,635	1,033,987	6.7%
Cost of sales	( 330,325)	( 313,769)	( 702,101)	( 666,912)	5.3%
<b>Gross Profit</b>	<b>188,914</b>	<b>172,702</b>	<b>401,534</b>	<b>367,075</b>	<b>9.4%</b>
Other income	1,330	1,009	2,827	2,144	31.8%
Administrative expenses	( 93,333)	( 83,096)	( 198,379)	( 176,620)	12.3%
<b>Operating Income</b>	<b>96,910</b>	<b>90,614</b>	<b>205,981</b>	<b>192,599</b>	<b>6.9%</b>
Finance income	20,307	2,269	43,163	4,822	795.2%
Finance cost	( 8,615)	( 8,690)	( 18,311)	( 18,471)	-0.9%
Share of profit (loss) of affiliates accounted for using the equity method	3,274	2,439	6,958	5,184	34.2%
Others	( 1,840)	( 1,070)	( 3,911)	( 2,274)	72.0%
<b>Non Operating Income</b>	<b>13,126</b>	<b>( 5,053)</b>	<b>27,899</b>	<b>( 10,740)</b>	<b>359.8%</b>
Profit before tax	110,036	85,561	233,881	181,860	28.6%
Income tax expenses	( 25,800)	( 16,884)	( 54,837)	( 35,886)	52.8%
<b>Income from continuing operations</b>	<b>84,237</b>	<b>68,677</b>	<b>179,044</b>	<b>145,973</b>	<b>22.7%</b>
Minority Interest	( 17,310)	( 13,769)	( 36,793)	( 29,266)	25.7%
<b>Profit to ILC Inversiones</b>	<b>66,926</b>	<b>54,908</b>	<b>142,251</b>	<b>116,707</b>	<b>21.9%</b>
<b>EBITDA (**)</b> to ILC Inversiones	<b>123,738</b>	<b>110,792</b>	<b>263,005</b>	<b>235,488</b>	<b>11.7%</b>

(\*) Exchange rate of Ch\$470.48 as of September 28th, 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:** Tuesday, November 27th, 2012  
**Time:** 12:00 (Chile); 10:00 am (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. SIMPLIFIED STRUCTURE



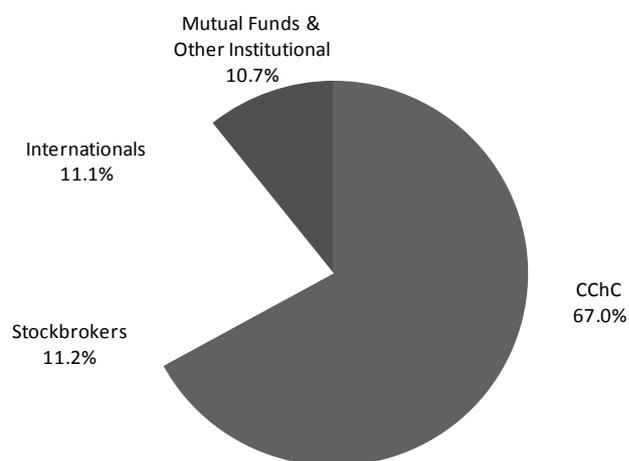
## III. EXECUTIVE SUMMARY

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 September 30<sup>th</sup>, 2012; Vida Cámara, a life insurance company, that also offers supplemental health and voluntary life insurance products since 2012; and Consalud, one of the largest private health insurance provider in Chile as of September 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 September 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.

## IV. OWNERSHIP STRUCTURE

As of September 30<sup>th</sup>, 2012, the ownership structure incorporates a 33% of free float in the Chilean stock market, and it is allocated as it follows:





## V. CONSOLIDATED STATEMENTS

### Income Statement

#### a. Net Income

As of September 30<sup>th</sup> 2012, ILC reached a net income of \$66,926 million. This was 21.9% higher than the \$54,908 million from the same period of 2011. The Operating Result was \$96,910 million, which is 6.9% higher than the same period of the last year. This was mainly due to higher operating results of AFP Habitat, Red Salud and the D&S insurance results coming from Vida Cámara until June 30<sup>th</sup>, 2012.

#### b. Operating results

Bellow is a description of the different sectors defined by the company:

**Retirement & Insurance:** The operating result was \$90,453 million during the first nine months of 2012, mainly explained by the operating results of AFP Habitat \$56,558 million (63% of the sector), Isapre Consalud \$10,390 million (11% of the sector) and the insurance company Vida Cámara \$23,505 million (26% of the sector).

**Private Healthcare:** The operating result of this sector was \$6,144 million as of September 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 period expenses.

**Others:** This sector presented and operating result of \$313 million during the first nine months of 2012.

#### c. Non Operating result

**Non Operating results:** As of September 2012, ILC Inversiones reported earnings for \$13,126 million; 360% higher compare to the -\$5,053 million for the same period of the last year. This variation is mainly explained due to the higher financial income attributable to the better results of Habitat's encaje and the financial investments of ILC.



## Balance Sheet

As of September 2012, the consolidated assets of the company totalized \$1,057,736 million and its composition is described below:

<i>ILC Consolidated</i> <i>Balance</i>	<i>Ch\$ millions</i>		<i>US\$ Th.<sup>(*)</sup></i>		<b>Var %</b>
	<b>3Q12</b>	<b>12M11</b>	<b>3Q12</b>	<b>12M11</b>	
Current Assets	354,239	336,158	752,931	714,500	5.4%
Non-current Assets	703,498	667,935	1,495,276	1,419,688	5.3%
<b>Total Assets</b>	<b>1,057,736</b>	<b>1,004,093</b>	<b>2,248,207</b>	<b>2,134,188</b>	<b>5.3%</b>
Current Liabilities	161,509	131,031	343,285	278,506	23.3%
Non-current Liabilities	327,193	296,695	695,445	630,621	10.3%
Total equity	569,035	576,367	1,209,477	1,225,061	-1.3%
<b>Total liabilities and equity</b>	<b>1,057,736</b>	<b>1,004,093</b>	<b>2,248,207</b>	<b>2,134,188</b>	<b>5.3%</b>

(\*) Exchange rate of Ch\$470,48 as of September 28th, 2012

### a. Current assets

The current assets of the company reached \$354,239 million as of September 2012 and \$336,158 million as of December 2011. This increase is mainly explained due to higher cash and cash equivalent coming from the IPO and from the issuance of Red Salud's bond.

### b. Non-current assets

The non-current asset reached \$703,498 million as of September 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 September 2012, the total liabilities and the equity totalized \$1,057,736 million, 5.3% higher than the amount as of December 2011. This increase is related to the issuance of Red Salud's bond and the capital increase at ILC level.

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

The equity attributable to owners as of September 2012 reaches to \$432,809 million, 0.1% lower than the amount as of December 2011. In the other hand, the non-controlling interest reached \$136,225 million; \$7,133 million lower than the amount as of December 2011.



## VI. BUSINESS UNITS



<i>Habitat</i> <i>Income Statement</i>	<i>Ch\$ millions</i>		<i>US\$ Th. (*)</i>		<i>Var %</i>
	<b>3Q12</b>	<b>3Q11</b>	<b>3Q12</b>	<b>3Q11</b>	
Revenues	90,763	85,472	192,916	181,669	6.2%
Cost of sales	-	-	-	-	0.0%
<b>Gross Profit</b>	<b>90,763</b>	<b>85,472</b>	<b>192,916</b>	<b>181,669</b>	<b>6.2%</b>
Other income	4	138	8	294	-97.4%
Administrative expenses	( 32,224)	( 30,450)	( 68,491)	( 64,722)	5.8%
<b>Operating Income</b>	<b>58,543</b>	<b>55,159</b>	<b>124,432</b>	<b>117,241</b>	<b>6.1%</b>
Finance income	2,052	1,562	4,361	3,320	31.4%
Finance cost	( 12)	( 13)	( 26)	( 27)	-4.1%
Gain (loss) of the encaje	7,958	( 6,145)	16,915	( 13,061)	229.5%
Share of profit (loss) of affiliates accounted for using the equity method	2,296	1,649	4,880	3,505	39.2%
Others	34	103	73	218	-66.6%
Profit before tax	70,870	52,315	150,634	111,196	35.5%
Income tax expenses	( 16,299)	( 10,070)	( 34,643)	( 21,403)	61.9%
<b>Profit to Habitat</b>	<b>54,572</b>	<b>42,246</b>	<b>115,992</b>	<b>89,793</b>	<b>29.2%</b>
<b>Profit to Habitat before encaje</b>	<b>46,614</b>	<b>48,390</b>	<b>99,077</b>	<b>102,853</b>	<b>-3.7%</b>
<b>EBITDA to Habitat</b>	<b>74,225</b>	<b>54,835</b>	<b>157,765</b>	<b>116,551</b>	<b>35.4%</b>
<b>EBITDAE(**) to Habitat</b>	<b>66,267</b>	<b>60,980</b>	<b>140,850</b>	<b>129,612</b>	<b>8.7%</b>

(\*) Exchange rate of Ch\$470,48 as of September 28th, 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 \$5,291 million (6.2%), compared to the first nine months 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 as of September 30<sup>th</sup> reached \$32,224 million, 5.8% higher compared to the same period of the last year. This is mainly explained due to higher number of administrative workers.

### 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 \$7,958 million during the first nine months, which is 229.5% higher compared with the same period of the year 2011.



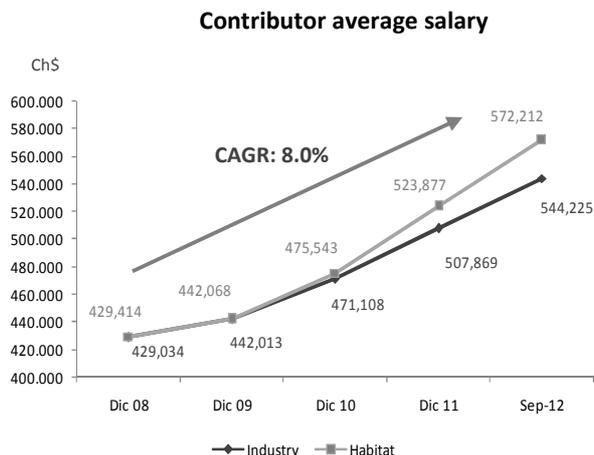
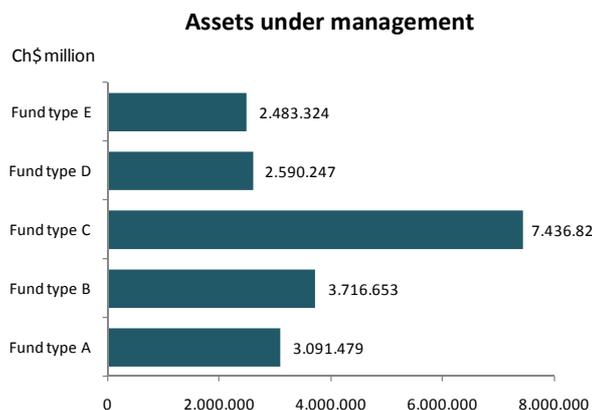
## Operating data

As of September 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</i> Sep-2012	<i>Market</i> Share (%)
N° Account holders	2,154,399	23.4%
N° Contributors	1,237,602	24.4%
Contributors/Account holders	57.4%	
Assets under management (MM\$)	19,318,525	25.8%

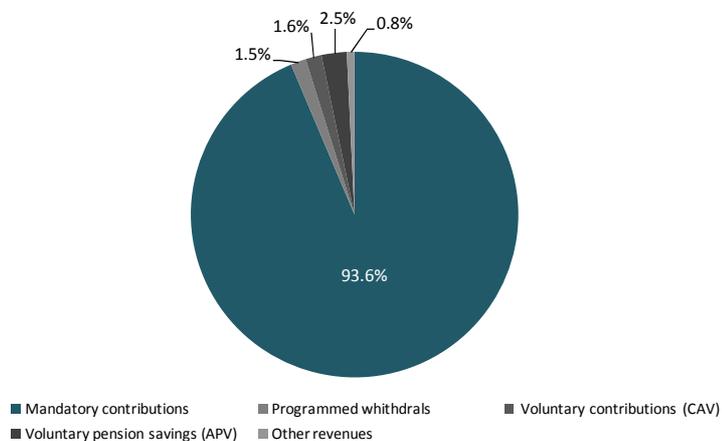
Source: Superintendencia de Pensiones

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 grew 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.





<i>Consalud</i> <i>Income Statement</i>	<i>Ch\$ millions</i>		<i>US\$ Th. (*)</i>		<i>Var %</i>
	<b>3Q12</b>	<b>3Q11</b>	<b>3Q12</b>	<b>3Q11</b>	
Revenues	203,344	180,322	432,205	383,272	12.8%
Cost of sales	( 166,974)	( 149,648)	( 354,901)	( 318,074)	11.6%
<b>Gross Profit</b>	<b>36,370</b>	<b>30,674</b>	<b>77,304</b>	<b>65,198</b>	<b>18.6%</b>
Other income	1,247	962	2,651	2,045	29.6%
Administrative expenses	( 27,227)	( 25,089)	( 57,871)	( 53,326)	8.5%
<b>Operating Income</b>	<b>10,390</b>	<b>6,548</b>	<b>22,083</b>	<b>13,917</b>	<b>58.7%</b>
Finance income	1,386	1,374	2,945	2,920	0.9%
Finance cost	( 444)	( 366)	( 943)	( 778)	21.1%
Share of profit (loss) of affiliates accounted for using the equity method	-	-	-	-	0.0%
Others	21	( 53)	44	( 112)	-139.6%
<b>Non Operating Income</b>	<b>963</b>	<b>955</b>	<b>2,047</b>	<b>2,030</b>	<b>0.8%</b>
Profit before tax	11,353	7,503	24,130	15,947	51.3%
Income tax expenses	( 2,761)	( 1,047)	( 5,869)	( 2,225)	163.8%
<b>Income from continuing operations</b>	<b>8,591</b>	<b>6,456</b>	<b>18,261</b>	<b>13,722</b>	<b>33.1%</b>
Minority Interest	-	-	-	-	0.0%
<b>Profit to Consalud</b>	<b>8,591</b>	<b>6,456</b>	<b>18,261</b>	<b>13,722</b>	<b>33.1%</b>
<b>EBITDA (**) Consalud</b>	<b>13,154</b>	<b>9,212</b>	<b>27,959</b>	<b>19,580</b>	<b>42.8%</b>

(\*) Exchange rate of Ch\$470.48 as of September 28th, 2012; (\*\*) EBITDA calculated as profit before tax minus depreciation, finance cost and other non operational cost

## Revenues

The revenues related to Consalud increased 12.8%, 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 345,629 as of September 2012.

## Cost of sales

The 11.6% 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 as of September increased 8.5% compared with the same period of last year. This was mainly due to higher costs of the sales force in Consalud and to higher advertisement expenses.

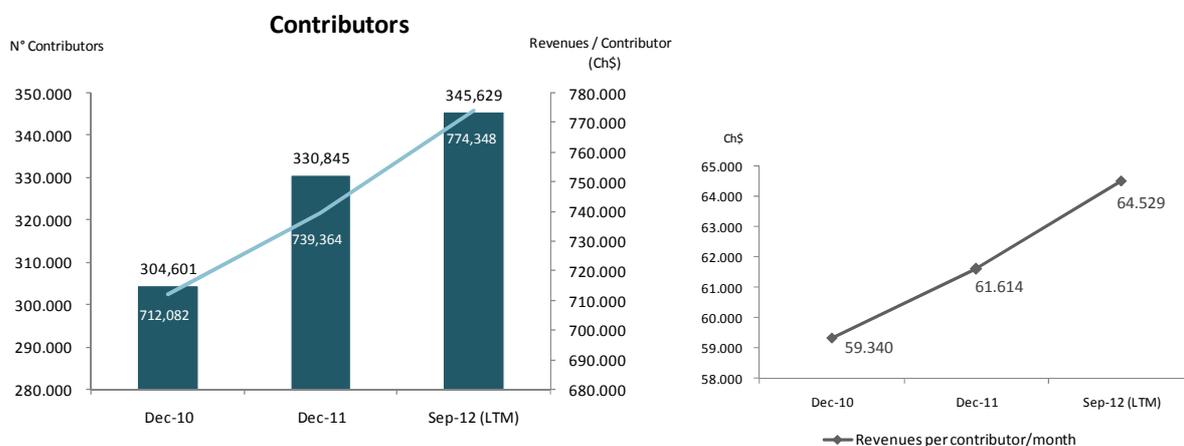
## Operating Data

Over the last periods we have 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.

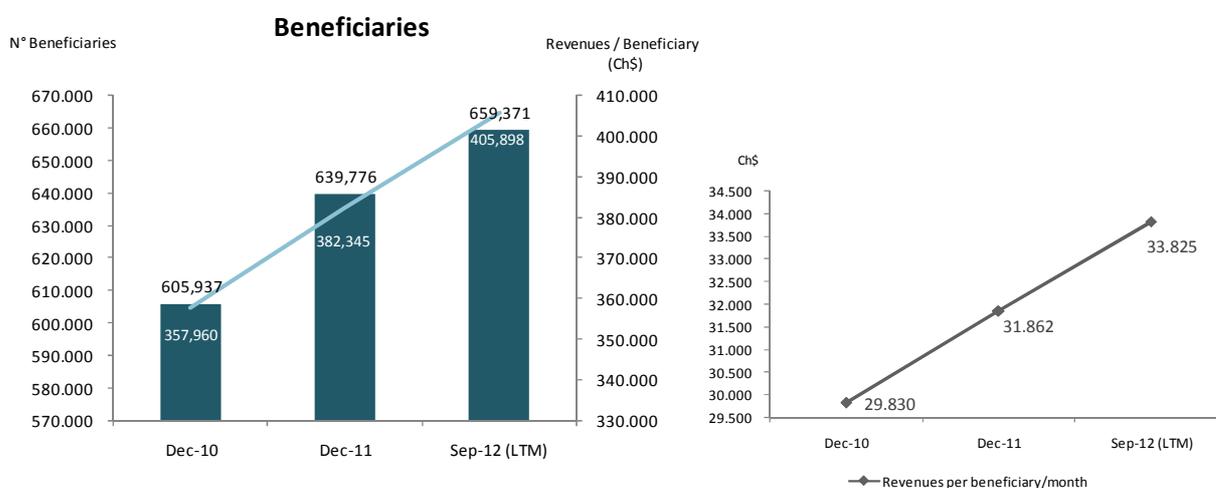
<i>Ch\$ Million</i>	<i>Dec- 10</i>	<i>Dec-11</i>	<i>Sep-12 (LTM)</i>
Mandatory contributions	162,998	182,697	204,226
Voluntary contributions	53,243	62,748	69,009
Others	2,933	3,353	4,530
<b>Total</b>	<b>219,174</b>	<b>248,798</b>	<b>277,766</b>



Along with the increase in the number of contributors, we have faced a raise in the revenues per contributor, reaching \$774,348 as of September 2012 (LTM). This amount implies an average contribution of \$64,529 per month by contributor.



Regarding the beneficiaries, they show the same tendency, reaching revenue per beneficiary of \$405,898 as of September 2012, which implies an average contribution of \$33,825 per month by beneficiary.



Source: Superintendencia de Salud



Red Salud Income Statement	Ch\$ millions		US\$ Th. (*)		Var %
	3Q12	3Q11	3Q12	3Q11	
Revenues	119,534	99,113	254,067	210,664	20.6%
Cost of sales	( 93,896)	( 77,654)	( 199,575)	( 165,054)	20.9%
<b>Gross Profit</b>	<b>25,637</b>	<b>21,459</b>	<b>54,492</b>	<b>45,610</b>	<b>19.5%</b>
Other income	-	-	-	-	0.0%
Administrative expenses	( 19,493)	( 17,888)	( 41,433)	( 38,021)	9.0%
<b>Operating Income</b>	<b>6,144</b>	<b>3,571</b>	<b>13,059</b>	<b>7,590</b>	<b>72.1%</b>
Finance income	1,597	532	3,394	1,131	200.0%
Finance cost	( 4,989)	( 2,442)	( 10,603)	( 5,191)	104.3%
Share of profit (loss) of affiliates accounted for using the equity method	948	812	2,016	1,727	16.7%
Others	( 1,073)	( 1,000)	( 2,280)	( 2,125)	7.3%
<b>Non Operating Income</b>	<b>( 3,516)</b>	<b>( 2,097)</b>	<b>( 7,474)</b>	<b>( 4,458)</b>	<b>67.7%</b>
Profit before tax	2,627	1,473	5,585	3,132	78.3%
Income tax expenses	( 393)	( 817)	( 835)	( 1,737)	-51.9%
<b>Income from continuing operations</b>	<b>2,235</b>	<b>656</b>	<b>4,750</b>	<b>1,395</b>	<b>240.5%</b>
Minority Interest	97	227	206	483	-57.2%
<b>Profit to Red Salud</b>	<b>2,137</b>	<b>429</b>	<b>4,543</b>	<b>912</b>	<b>398.0%</b>
<b>EBITDA (**)</b> Red Salud	<b>14,331</b>	<b>9,659</b>	<b>30,460</b>	<b>20,529</b>	<b>48.4%</b>

(\*) Exchange rate of Ch\$470.48 as of September 28th, 2012; (\*\*) EBITDA calculated as profit before tax minus depreciation, finance cost and other non operational cost

## Revenues

The revenues increased 20.6%, 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 20.9% 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 9.0% 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.

## Operating Data

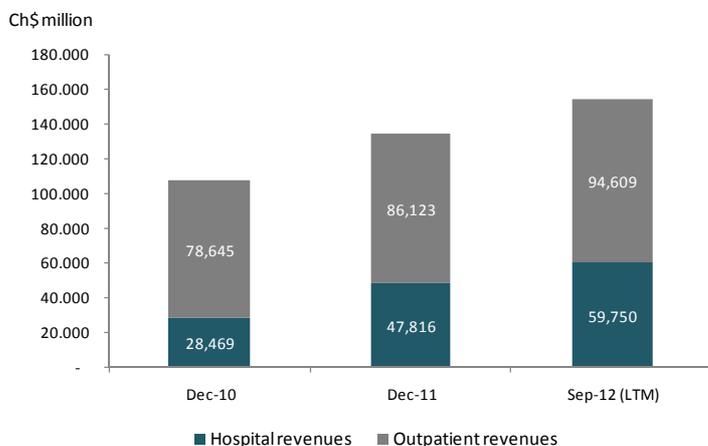
During the last nine months, Red Salud has shown a greater operational performance, related with the higher activity in the hospitals, especially in Bicentenario and Avansalud.

Operational data (*)	Dec-11	Sep-12	Sep-12	Average occupancy	Average lenght of
				rate	stay (days)
Admissions	37,987	34,910	Tabancura	73.8%	3.14
Emergency room visits	90,555	81,387	Avansalud	53.6%	1.36
Surgeries	39,151	36,483	Bicentenario	60.2%	3.00
Patient days	89,418	89,166	Iquique	57.0%	2.57

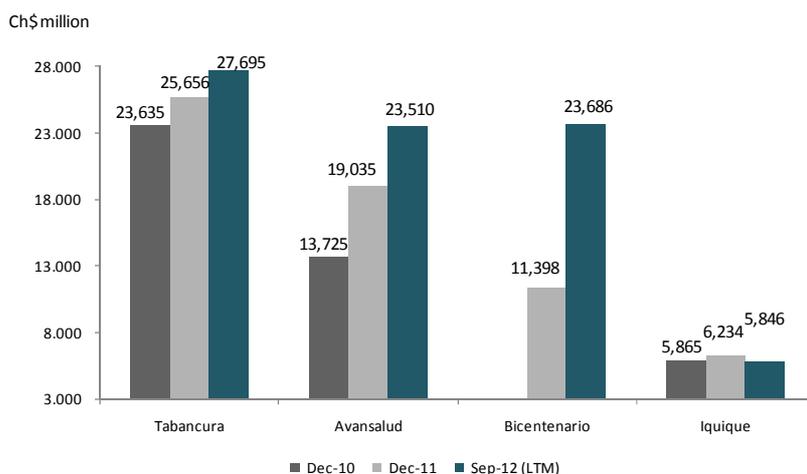
(\*) Includes Bicentenario, Avansalud, Tabancura and Iquique hospitals



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 year 2011.



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

<i>Number of Boxes</i>		<i>Number of beds</i>	
<b>Total</b>	<b>732</b>	<b>Total</b>	<b>1,235</b>
Megasalud	584	Tabancura	128
Tabancura	39	Avansalud	100
Avansalud	62	Bicentenario	230
Bicentenario	36	Iquique	68
Iquique	11	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>3Q12</b>	<b>3Q11</b>	<b>3Q12</b>	<b>3Q11</b>	<b>Var %</b>
Revenues	92,967	110,614	197,601	235,109	-16.0%
Cost of sales	( 64,721)	( 82,445)	( 137,563)	( 175,236)	-21.5%
<b>Gross Profit</b>	<b>28,247</b>	<b>28,169</b>	<b>60,038</b>	<b>59,873</b>	<b>0.3%</b>
Other income	-	-	-	-	0.0%
Administrative expenses	( 4,742)	( 1,382)	( 10,079)	( 2,936)	243.2%
<b>Operating Income</b>	<b>23,505</b>	<b>26,788</b>	<b>49,959</b>	<b>56,937</b>	<b>-12.3%</b>
Finance income	3,317	3,665	7,049	7,789	-9.5%
Finance cost	( 3)	( 5)	( 7)	( 11)	-39.2%
Share of profit (loss) of affiliates accounted for using the equity method	-	-	-	-	0.0%
Others	117	222	248	472	-47.6%
<b>Non Operating Income</b>	<b>3,430</b>	<b>3,882</b>	<b>7,290</b>	<b>8,251</b>	<b>-11.6%</b>
Profit before tax	26,935	30,669	57,250	65,187	-12.2%
Income tax expenses	( 5,356)	( 5,970)	( 11,385)	( 12,689)	-10.3%
<b>Income from continuing operations</b>	<b>21,579</b>	<b>24,699</b>	<b>45,865</b>	<b>52,498</b>	<b>-12.6%</b>
Minority Interest	-	-	-	-	0.0%
<b>Profit to Vida Cámara</b>	<b>21,579</b>	<b>24,699</b>	<b>45,865</b>	<b>52,498</b>	<b>-12.6%</b>
<b>EBITDA(**) Vida Cámara</b>	<b>26,871</b>	<b>30,452</b>	<b>57,114</b>	<b>64,726</b>	<b>-11.8%</b>

(\*) Exchange rate of Ch\$470.48 as of September 28th, 2012; (\*\*) EBITDA calculated as profit before tax minus depreciation, finance cost and other non operational cost

## Revenues

Revenues of Vida Cámara came mainly from the premiums of the Disability and Survivorship Insurance (D&S). Since July 2012, the company stopped supplying this insurance and the revenues as of September 2012 decreased 16.0% compared to the same period of the last year. This decrease was partially compensated by the launch of the supplemental health insurance, highlighting the incorporation of 130,115 new beneficiaries during this year.

## Cost of sales

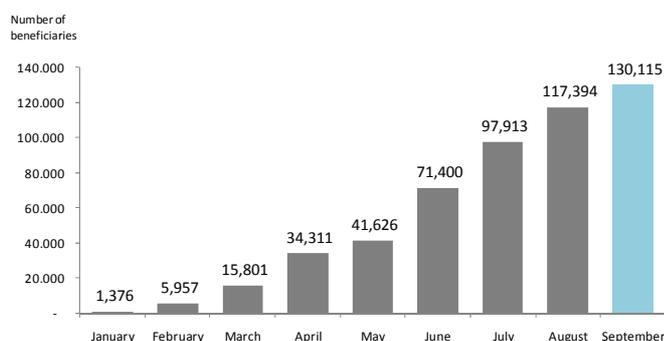
The 21.5% decrease in the cost of sales was the result of lower reserves explained by the termination of the D&S insurance since July 2012.

## Selling, General and Administrative Expenses

The 243.2% increase in the SG&A expenses was due to the higher sales force related to develop the supplemental health insurance business line. This new line started its operations on January 2012.

## Operating Data

Vida Cámara has shown a significant increase in the number of beneficiaries for the supplemental health insurance business.





<i>Other Businesses</i> <i>Income Statement</i>	<i>Ch\$ millions</i>		<i>US\$ Th. (*)</i>		<i>Var %</i>
	<b>3Q12</b>	<b>3Q11</b>	<b>3Q12</b>	<b>3Q11</b>	
Revenues	11,839	10,180	25,163	21,638	16.3%
Cost of sales	( 4,734)	( 4,022)	( 10,062)	( 8,548)	17.7%
<b>Gross Profit</b>	<b>7,105</b>	<b>6,159</b>	<b>15,102</b>	<b>13,090</b>	<b>15.4%</b>
Other income	83	46	175	99	77.9%
Administrative expenses	( 5,161)	( 4,622)	( 10,969)	( 9,824)	11.7%
<b>Operating Income</b>	<b>2,027</b>	<b>1,583</b>	<b>4,308</b>	<b>3,365</b>	<b>28.0%</b>
Finance income	109	90	233	191	22.0%
Finance cost	( 1,064)	( 1,219)	( 2,261)	( 2,591)	-12.7%
Share of profit (loss) of affiliates accounted for using the equity method	7	3	14	6	0.0%
Others	( 354)	( 573)	( 753)	( 1,217)	-38.1%
<b>Non Operating Income</b>	<b>( 1,302)</b>	<b>( 1,699)</b>	<b>( 2,768)</b>	<b>( 3,612)</b>	<b>-23.4%</b>
Profit before tax	725	( 116)	1,540	( 247)	723.9%
Income tax expenses	( 69)	( 37)	( 146)	( 78)	86.3%
<b>Income from continuing operations</b>	<b>656</b>	<b>( 153)</b>	<b>1,394</b>	<b>( 325)</b>	<b>528.6%</b>
Minority Interest	-	-	-	-	0.0%
<b>Profit Other Businesses</b>	<b>656</b>	<b>( 153)</b>	<b>1,394</b>	<b>( 325)</b>	<b>528.6%</b>
<b>EBITDA (**) Other Businesses</b>	<b>2,783</b>	<b>2,248</b>	<b>5,916</b>	<b>4,778</b>	<b>23.8%</b>

(\*) Exchange rate of Ch\$470.48 as of September 28th, 2012; (\*\*) EBITDA calculated as profit before tax minus depreciation, finance cost and other non operational cost

## Revenues

The 16.3% increase in the operational revenues was mainly explained by the raise of the revenues coming from iConstruye due to higher number of clients, and by the increase of the revenues from Desarrollos Educaciones 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 11.7% 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

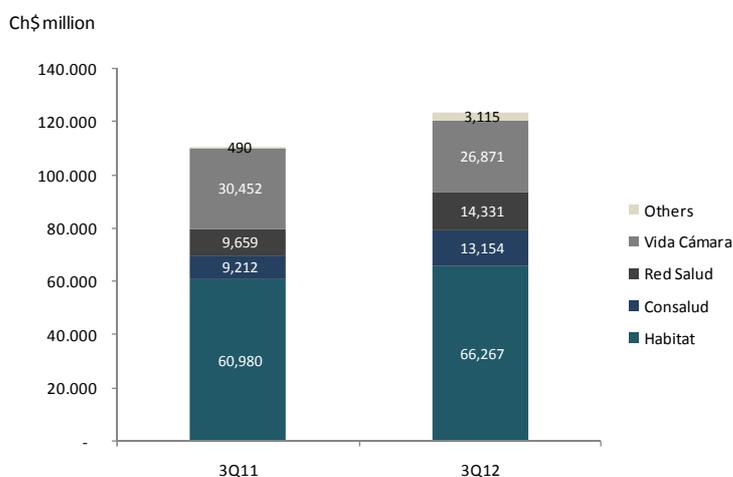
ILC has most of the financial debt allocated in the long term. Here we can highlight the bonds of ILC (A and C series) and the bonds of Red Salud (A and C series) issued the year 2011 and 2012 respectively.

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>Sep-12</i>
<b>Short Term</b>	<b>27,680</b>	<b>58.8</b>	Feller-Rate	AA
Bonds	1,484	3.2	Humphreys	AA+
Bank loans	12,453	26.5		
Leasing in UF	13,743	29.2		
<b>Long Term</b>	<b>187,858</b>	<b>399.3</b>		
Bonds	98,878	210.2		
Bank loans	38,853	82.6		
Leasing in UF	50,127	106.5		

The financial debt related to Inversiones la Construcción S.A. is Ch\$55,538 million

The consolidated EBITDA of ILC during the first nine months was \$123,738 million, 11.7% more than \$110,792 million of the same period of last year. The following chart illustrates the breakdown of the EBITDA by businesses.



In terms of CAPEX, as of September 2012 these investments accounts for \$16,859 million, and \$19,536 million considering the last twelve months. These investments were mainly focused in the health business, highlighting the expansion of the Clinica Tabancura.

<i>Ch\$ million</i>	<i>Dec-10</i>	<i>Dec-11</i>	<i>Sep-12 (LTM)</i>
CAPEX	20,551	15,852	19,536



## VIII. CONSOLIDATED FINANCIAL STATEMENTS

### INCOME STATEMENT

<i>INCOME STATEMENT</i>	<i>Sep 30, 2012</i>	<i>Sep 30, 2011</i>
	<i>Th\$</i>	<i>Th\$</i>
Revenue	519,238,346	486,470,173
Cost of sales	(330,324,667)	(311,133,502)
<b>Gross profit</b>	<b>188,913,679</b>	<b>175,336,671</b>
Other income	1,329,832	1,008,705
Administrative expenses	(93,116,676)	(85,702,616)
Other expenses	(234,089)	(550,987)
Other gains	17,282	522,271
Finance income	20,307,485	2,268,527
Finance costs	(8,614,963)	(8,690,128)
Share of profit of equity accounted investees	3,273,501	2,438,876
Foreign currency exchange gain (loss)	(142,154)	430,837
Gain (loss) from inflation indexed unit	(1,697,777)	(1,500,875)
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>110,036,120</b>	<b>85,561,281</b>
Income tax expense	(25,799,544)	(16,883,828)
Profit (loss) from continuing operations	84,236,576	68,677,453
(Loss) from discontinued operations	0	0
<b>Profit for the period</b>	<b>84,236,576</b>	<b>68,677,453</b>
<b>Profit attributable to owners of the parent</b>	<b>66,926,286</b>	<b>54,908,302</b>
Profit attributable to non-controlling interest	(17,310,290)	(13,769,151)



## ASSETS

<b>ASSETS</b>	<b>Sep 30, 2012</b>	<b>Dec 31, 2011</b>
<i>Current assets:</i>	<i>Th\$</i>	<i>Th\$</i>
Cash and cash equivalents	162,031,626	94,043,237
Financial assets	128,759,182	161,115,961
Non-financial assets	10,536,834	8,922,748
Trade and other receivables, net	48,918,018	68,599,461
Accounts receivable due from related parties	1,101,649	774,172
Inventories	1,906,242	1,733,237
Other assets	28,711	37,290
Current tax receivable	956,550	931,654
<b>Total Current Assets</b>	<b>354,238,812</b>	<b>336,157,760</b>
<i>Non current assets:</i>		
Financial assets	205,440,099	188,831,393
Non-financial assets	13,695,842	12,350,996
Trade and other receivables, net	4,083,247	4,277,305
Equity accounted investees	19,842,243	17,083,021
Intangible assets other than goodwill	72,460,304	74,221,556
Goodwill	101,506,809	101,506,809
Property, plant and equipment, net	238,229,002	227,580,991
Investment property	21,519,645	21,682,753
Deferred tax assets	26,720,335	20,400,042
<b>Total non current assets</b>	<b>703,497,526</b>	<b>667,934,866</b>
<b>TOTAL ASSETS</b>	<b>1,057,736,338</b>	<b>1,004,092,626</b>

The cash and cash equivalent is explained by Th. Ch\$60,075,698 corresponding to cash and current financial instruments for ILC and by Th. Ch\$101,955,928 for its subsidiaries

The current financial assets is explained by Th. Ch\$10,477,140 corresponding to current financial instruments for ILC and by Th. Ch\$118,282,042 for its subsidiaries



## LIABILITIES AND EQUITY

<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>Sep 30, 2012</b>	<b>Dec 31, 2011</b>
<i>Current liabilities</i>	<b>Th\$</b>	<b>Th\$</b>
Financial liabilities	27,679,777	22,425,242
Trade and other payables	91,448,354	61,794,615
Accounts payable due to related parties	154,157	390,110
Other provisions	27,406,666	26,619,490
Current tax Payable	1,621,494	4,171,603
Provisions for employee benefits, current	9,232,351	10,687,674
Other non-financial liabilities	3,965,740	4,942,596
<b>Total current liabilities</b>	<b>161,508,539</b>	<b>131,031,330</b>
<i>Non current liabilities</i>		
Financial liabilities	187,858,294	149,676,759
Accounts payable due to related parties	-	-
Other provisions	79,975,844	98,728,870
Deferred tax liabilities	58,948,086	47,926,740
Provisions for employee benefits	410,960	362,232
<b>Total non current liabilities</b>	<b>327,193,184</b>	<b>296,694,601</b>
<b>Total liabilities</b>	<b>488,701,723</b>	<b>427,725,931</b>
<i>Shareholders' equity</i>		
Share capital	239,724,220	213,772,622
Share premium	441,207	269,894
Retained earnings	92,317,401	119,010,946
Other reserves	100,326,312	99,955,155
<b>Equity attributable to owners of the parent</b>	<b>432,809,140</b>	<b>433,008,617</b>
Non-controlling interests	136,225,475	143,358,078
<b>Total equity</b>	<b>569,034,615</b>	<b>576,366,695</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>1,057,736,338</b>	<b>1,004,092,626</b>



## STATEMENT OF CASH FLOW

STATEMENT OF CASH FLOW		
	Sep 30, 2012	Sep 30, 2011
	Th\$	Th\$
<b>Cash flows from (used in) operating activities:</b>		
Proceeds from sale of services	554,689,611	497,863,993
Proceeds from royalties, deposits, fees and other revenue	22,442,644	24,104,941
Other proceeds from operating activities	18,680,939	17,606,725
Payments to suppliers related to the supply of goods and services	(121,639,415)	(105,183,310)
Payments for brokerage contracts	0	0
Payments to and on behalf of employees	(65,389,428)	(63,458,827)
Payments for premiums and healthcare services, annuities and other obligations arising from written insurance po	(278,475,883)	(258,650,844)
Other payments for operating activities	(1,761,736)	(1,837,964)
Dividends received	1,682,620	2,363,833
Interest paid	(370,564)	(633,565)
Interest received	4,171,291	2,524,812
Income taxes (paid)	(26,112,187)	(26,103,446)
Other cash inflows (outflows)	(2,057,417)	(175,023)
<b>Net cash from (used in) operating activities</b>	<b>105,860,475</b>	<b>88,421,325</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	(51,049)	0
Cash flows used to acquire non-controlling interest	(3,346,395)	(5,536,932)
Proceeds from the sale of other entities' equity and other financial instruments	136,065,319	86,988,756
Other payments to acquire other entities' equity and other financial instruments	(121,433,819)	(77,103,002)
Proceeds from sale of investments in joint ventures	2,318,607	1,622,937
Loans to related parties	(23,981,308)	(1,424)
Proceeds from sale of property, plant and equipment	41,151	300,357
Acquisitions of property, plant and equipment	(16,859,042)	(13,175,266)
Proceeds from sale of intangible assets	0	0
Acquisitions of intangible assets	(1,181,282)	(419,336)
Proceeds from other long term assets	2,001,484	0
Acquisitions of other long-term assets	(3,058,293)	(4,715,888)
Proceeds from reimbursement of advances and loans to third parties	0	0
Due from related companies	24,501,223	0
Interest received	0	0
Other cash (outflows)	2,324,701	91,825
<b>Net cash from (used in) investing activities</b>	<b>(2,658,703)</b>	<b>(11,759,018)</b>
<b>Cash flows from (used in) financing activities</b>		
Proceeds from the issuance of share capital	26,099,670	1,041,446
Proceeds from long-term loans	6,599,804	8,994,961
Proceeds from short-term loans	0	10,743,785
Proceeds from loans from related parties	1,199,534	0
Proceeds from other issuance of share capital	44,467,112	66,034,687
Payment of other share capital participation	(800,000)	0
Payment of loans from related parties	(2,295,000)	0
Repayment of borrowings	(14,176,804)	(124,299,846)
Payment of finance lease liabilities	(1,455,695)	(1,341,324)
Dividends paid	(87,250,594)	(40,924,961)
Interest paid	(7,548,193)	(7,150,134)
Reimbursed earnings taxes	0	0
Other cash inflows (outflows)	(60,199)	1,149,913
<b>Net cash from (used in) financing activities</b>	<b>(35,220,365)</b>	<b>(85,751,473)</b>
Net (decrease) increase in cash and cash equivalents before exchange rate fluctuations	67,981,407	(9,089,166)
Effect of exchange rate fluctuations on cash and cash equivalents	6,982	(207,541)
<b>Net increase (decrease) on cash and cash equivalents</b>	<b>67,988,389</b>	<b>(9,296,707)</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>162,031,626</b>	<b>99,753,335</b>