EMBOTELLADORA ANDINA S.A. AND SUBSIDIARIES
Consolidated financial statements
March 31, 2006

(Translation of original in Spanish)

CONTENTS

Ch$	-	Chilean pesos
ThCh$	-	Thousands of Chilean pesos
US$	-	United States dollars
ThUS$	-	Thousands of United States dollars
R$	-	Brazilian Reals
ThR$	-	Thousands of Brazilian Reals
A$	-	Argentine pesos
ThA$	-	Thousands of Argentine pesos
UF	-	Unidades de Fomento (Chilean government inflation-indexed monetary units)

EMBOTELLADORA ANDINA S.A. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	For the period ended March 31,	
	2006	2005
	ThCh$	ThCh$
TOTAL CURRENT ASSETS	184,588,107	164,879,767
Cash	15,041,705	16,801,161
Time deposits	64,650,807	10,203,007
Marketable securities (net)	17,470,757	45,624,915
Trade accounts receivable (net)	22,231,021	25,098,438
Notes receivable (net)	7,202,760	6,971,397
Other receivables (net)	19,557,029	18,818,047
Notes and accounts receivable from related companies	1,553,763	291,810
Inventories (net)	17,580,166	21,851,833
Recoverable Taxes	7,960,348	7,461,115
Prepaid expenses	2,193,135	2,310,135
Other current assets	9,146,616	9,447,909
TOTAL PROPERTY, PLANT & EQUIPMENT	139,707,276	157,064,776
Land	12,752,684	13,459,634
Buildings & improvements	78,986,877	91,739,321
Machinery and equipment	209,669,804	225,045,447
Other property, plant & equipment	201,069,682	207,409,467
Technical reappraisal of property, plant & equipment	2,007,945	2,007,564
Depreciation	(364,779,716)	(382,596,657)
TOTAL OTHER ASSETS	218,329,396	291,324,965
Investments in related companies	20,646,408	20,443,318
Investments in other companies	54,789	56,886
Goodwill	71,906,949	89,750,217
Long-term receivables	89,806	54,372
Long-term notes and accounts receivable from related companies	33,915	35,032
Long-term Deferred Income Taxes	346,855	38,845
Intangibles	419,979	486,844
Amortization	(243,196)	(258,338)
Others	125,073,891	180,717,789
TOTAL ASSETS	542,624,779	613,269,508

The accompanying Notes 1 to 41 are an integral part of these consolidated financial statements.

	For the period ended March 31,	
	2006	2005
	ThCh$	ThCh$
TOTAL CURRENT LIABILITIES	113,176,338	98,587,648
Short-term bank liabilities	28,758,755	12,690,759
Current portion of long-term bank liabilities	494,720	2,798,913
Current portion of bonds payable	17,781,147	18,787,832
Dividends payable	215,565	282,068
Accounts payable	35,374,669	33,319,955
Other creditors	3,429,871	3,305,054
Notes and accounts payable to related companies	6,247,686	6,396,399
Provisions	504,059	388,878
Witholdings	11,717,132	11,235,582
Income taxes payable	4,356,313	4,632,505
Unearned income	493,896	2,091,007
Deferred income taxes	609,399	84,059
Other current liabilities	3,193,126	2,574,637
TOTAL LONG-TERM LIABILITIES	135,841,944	191,501,173
Long-term bank liabilities	394,962	49,681,024
Bonds payable	99,065,486	113,851,831
Other creditors	176,422	184,399
Notes and accounts payable from related companies	3,737,364	0
Provisions	23,841,755	20,330,868
Other long-term liabilities	8,625,955	7,453,051
MINORITY INTEREST	1,185,764	54
TOTAL SHAREHOLDERS' EQUITY	292,420,733	323,180,633
Paid-in capital	197,904,994	198,860,133
Reserve capital revalued	(593,715)	(1,590,881)
Other reserves	3,553,954	23,135,494
Accumulated earnings	70,520,545	88,031,674
Net income for the period	21,034,955	14,744,213
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	542,624,779	613,269,508

The accompanying Notes 1 to 41 are an integral part of these consolidated financial statements.

EMBOTELLADORA ANDINA S.A. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME

	For the period ended March 31	
	2006	2005
	ThCh$	ThCh$
OPERATING INCOME	24,330,139	21,163,793
Gross Margin	57,458,483	51,017,829
Net Sales	139,393,196	130,594,117
Cost of sales	(81,934,713)	(79,576,288)
Administrative and selling expenses	(33,128,344)	(29,854,036)
NON OPERATING INCOME AND EXPENSE	(120,908)	(4,388,150)
Financial Income	2,435,150	4,456,242
Equity in earnings of equity investments	368,706	673,947
Other non-operating income	1,410,099	612,862
Equity in losses of equity investments	(33,160)	(30,082)
Amortization of goodwill	(1,589,744)	(1,834,050)
Financial Expenses	(6,197,858)	(11,164,759)
Other non-operating expenses	(1,079,666)	(7,343,195)
Price level restatement	(190,262)	41,362
Foreign exchange gains	4,755,827	10,199,523
Income before income taxes and extraordinary items	24,209,231	16,775,643
Income tax expense	(3,103,210)	(2,031,431)
Income before minority interest	21,106,021	14,744,212
Minority interest	(71,066)	1
NET INCOME	21,034,955	14,744,213
NET INCOME FOR THE PERIOD	21,034,955	14,744,213

The accompanying Notes 1 to 41 are an integral part of these consolidated financial statements.

EMBOTELLADORA ANDINA S.A. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOW

	For the period ended March 31	
	2006	2005
	ThCh$	ThCh$
NET CASH PROVIDED BY OPERATING ACTIVITIES	42,545,965	26,592,563
Collection of trade receivables	209,216,130	190,755,437
Financial income received	3,887,372	3,548,618
Dividend & other distributions received	1,447,375	1,427,460
Other income received	0	25,066
Payments to suppliers and personnel	(139,294,397)	(142,781,445)
Interest paid	(2,940,344)	(1,492,108)
Income taxes paid	(2,401,868)	(1,349,122)
Other expenses paid	(2,014)	0
VAT and other tax payments	(27,366,289)	(23,541,343)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	(4,587,798)	(10,665,729)
Borrowings	8,136,063	16,419,840
Dividend distribution	(3,632,726)	(3,569,820)
Loan payments	(9,091,135)	(23,502,188)
Other sources of financing	0	(13,561)
NET CASH PROVIDED BY (USED IN) INVESTMENT ACTIVITIES	1,616,334	12,638,658
Proceeds from sales of property, plant and equipment	951,727	692,882
Proceeds from sales of permanent investments	4,992,385	0
Proceeds from sales of other investments	2,893,537	30,671,665
Additons to property, plant & equipment	(7,189,601)	(6,709,601)
Investments in financial instruments	(31,714)	(12,016,288)
TOTAL NET CASH FOR THE PERIOD	39,574,501	28,565,492
EFFECT OF INFLATION ON CASH AND CASH EQUIVALENTS	679,655	1,574,015
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	40,254,156	30,139,507
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	21,499,736	28,025,703
CASH AND CASH EQUIVALENTS AT END OF PERIOD	61,753,892	58,165,210

The accompanying Notes 1 to 41 are an integral part of these consolidated financial statements.

EMBOTELLADORA ANDINA S.A. AND SUBSIDIARIES
RECONCILIATION BETWEEN NET INCOME AND NET CASH FLOWS
PROVIDED BY OPERATING ACTIVITIES

	For the period ended March 31	
	2006	2005
	ThCh$	ThCh$
NET INCOME	21,034,955	14,744,213
Income on sale of assets:	(234,181)	(54,510)
Gain on sale of property, plant and equipment	(234,181)	(53,528)
Gain on sale of investements	0	(982)
ADJUSTMENTS TO NET INCOME THAT DO NOT REPRESENT MOVEMENTS OF CASH	3,178,513	3,459,610
Depreciation	7,378,623	7,926,497
Amortization of intangibles	119,560	89,607
Write-offs and provisions	(608,739)	4,824,942
Equity in earnings of equity investments	(368,706)	(673,947)
Equity in losses of equity investments	33,160	30,082
Amortization of goodwill	1,589,744	1,834,050
Price-level restatement	190,262	(41,362)
Foreign exchange gains, net	(4,755,827)	(10,199,523)
Other credits to income that do not represent cash flows	(365,680)	(330,736)
Other charges to income that do not represent cash flows	(33,884)	0
CHANGES IN OPERATING ASSETS	22,018,681	(4,944,735)
(Increase) decrease in trade accounts receivable	10,552,242	7,211,976
(Increase) decrease in inventories	38,444	640,855
(Increase) decrease in other assets	11,427,995	(12,797,566)
CHANGES IN OPERATING LIABILITIES	(3,523,069)	13,387,986
Increase (decrease) in accounts payable related to operating income	5,110,687	(4,727,286)
Increase (decrease) in interest payable	4,424,317	14,345,943
Increase (decrease) in income taxes payable	(1,244,204)	767,110
Increase (decrease) in other accounts payable related to non-operating income	(7,991,202)	2,961,786
Increase (decrease) in VAT and other similar items	(3,822,667)	40,433
Minority interest	71,066	(1)
NET CASH PROVIDED BY OPERATING ACTIVITIES	42,545,965	26,592,563

The accompanying Notes 1 to 41 are an integral part of these consolidated financial statements.

NOTE 1 - INCORPORATION IN THE SECURITIES REGISTER

Embotelladora Andina S.A. was incorporated in the Securities Register under No. 00124 and, in conformity with Law 18,046. is subject to the supervision of the Chilean Superintendency of Securities and Insurance Companies (the “SVS”).

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

a) Accounting period

The consolidated financial statements cover the period January 1 to March 31, 2006 and are compared to the same period in 2005.

b) Basis of preparation

The consolidated financial statements have been prepared in conformity with generally accepted accounting principles issued by the Chilean Institute of Accountants, as well as rules and regulations of the SVS. In the event of discrepancy, the SVS regulations will prevail.

c) Basis of presentation

For comparison purposes, the figures in the prior-year financial statements have been restated by 4.1% according to CPI and minor reclassifications have been made.

d) Basis of consolidation

The accompanying financial statements include assets, liabilities, income and cash flows of the Parent Company and its subsidiaries. The equity and income accounts of the Parent Company and its subsidiaries have been combined, eliminating investments and current accounts between consolidated companies, transactions between them and the unrealized income from intercompany transactions.

In addition, for proper presentation of consolidated net income, the participation in income by minority shareholders is shown in the consolidated statements of income under Minority interest.

Holding percentages
The subsidiaries included in the consolidated financial statements and Andina’s direct and indirect holding percentages are as follows:

Company Name	Ownership Interest			
	March 31, 2006			March 31, 2005
	Direct	Indirect	Total	Total
ABISA CORP S.A.	-	99.99	99.99	99.99
ANDINA BOTTLING INVESTMENTS S.A.	99.90	0.09	99.99	99.99
ANDINA INVERSIONES SOCIETARIAS S.A.	99.99	-	99.99	99.99
ANDINA BOTTLING INVESTMENTS DOS S.A.	99.90	0.09	99.99	99.99
EMBOTELLADORA DEL ATLANTICO S.A.	-	99.99	99.99	99.99
ENVASES MULTIPACK LTDA.	5.00	94.99	99.99	99.99
RIO DE JANEIRO REFRESCOS LTDA.	-	99.99	99.99	99.99
SERVICIOS MULTIVENDING LTDA.	99.90	0.09	99.99	99.99
TRANSPORTE ANDINA REFRESCOS LTDA.	99.90	0.09	99.99	99.99
VITAL S.A.	-	99.99	99.99	99.99
RJR INVESTMENTS CORP S.A.	-	99.99	99.99	99.99
VITAL AGUAS S.A.	56.50	-	56.50	-

e) Price-level restatement

The financial statements have been restated to reflect the effect of price-level changes on the purchasing power of the Chilean peso during the respective periods. Restatements have been determined on the basis of the percentage variation of the official Chilean Consumer Price Index, "CPI", issued by the Chilean National Institute of Statistics, which amounted to -0.3% for the period December 1, 2005 to February 28, 2006 (-0.8% for the same period of the previous year).

f) Currency translation

Balances in foreign currency are considered as non-monetary items and are translated at the exchange rate prevailing at year-end. UF denominated balances have been restated according to CPI changes or the agreed rate.

Assets and liabilities in foreign currency and Unidades de Fomento have been translated into local currency at the following year-end exchange rates:

		2005	2004
		Ch$	Ch$
Unidades de Fomento	(UF)	17,915.66	17,198.78
United States dollars	(US$)	526.18	585.93
Argentine pesos	(A$)	170.73	200.87
Brazilian Real	(R$)	243.29	219.76
Euro		637.56	759.57

g) Marketable securities

Marketable securities include investments in mutual funds and investment fund shares, valued at the redemption value for each year end.

Investments in bonds with a pre-established value are valued at the adjusted cost, plus accrued interest.

h) Inventories

The cost of raw materials includes all disbursements made in the acquisition process and deemed necessary for them to be readily available at the Company's or it's subsidiaries' warehouse. The costs of finished products include all manufacturing costs. Raw materials and finished products are valued at the average weighted cost.

Provisions are made for obsolescence on the basis of turnover of raw materials and finished products.

The stated values of inventories do not exceed their estimated net realizable value.

i) Allowance for doubtful accounts

The allowance for doubtful accounts consists of a general provision determined on the basis of the aging of debts and on a case-by-case analysis where collection is doubtful. In the opinion of the Company's management, the allowances are reasonable and the net balances are recoverable.

j) Property, plant and equipment

Property, plant and equipment are carried at restated cost plus price-level restatements. Technical reappraisal of property, plant and equipment, authorized by the SVS on December 31, 1979, is shown at restated value under the heading "Technical reappraisal of property, plant and equipment".

Fixed assets to be disposed of for sale are valued at the lower of the net realizable value and book value. Unrealized losses are reflected in the consolidated statement of income under Other non-operating expenses.

k) Depreciation

Depreciation of property, plant and equipment is determined by the straight-line method based on the estimated useful lives of the revalued assets.

l) Containers

Inventories of containers, bottles and plastic containers at plants, warehouses, and with third parties are stated at cost plus price-level restatements and are included in Other property, plant and equipment. Broken or damaged containers at plants and warehouses are expensed in each accounting period.

m) Investments in related companies

Investments in shares or rights in companies in which the Company has a significant holding in the investee are accounted for using the equity method. The Company's proportionate share of net income and losses of related companies is recognized in the consolidated statements of income, after eliminating any unrealized profits or losses from transactions between related companies.

Investments in foreign companies are valued in conformity with Technical Bulletin No. 64 issued by the Chilean Institute of Accountants. The United States ("US") dollar is the currency used to control investments and to translate financial statements of foreign companies. Assets and liabilities from these investments are translated into Chilean pesos at year end exchange rate, except that non-monetary assets and liabilities and shareholders' equity are first expressed at their equivalent value in historical US dollars. Income and expense items are first translated into US dollars at the average exchange rate during the month.

n) Intangibles

Intangibles include franchise rights and licenses that are amortized over the terms of the contracts, not in excess of 20 years.

o) Goodwill

Goodwill represents the difference between purchase cost of the shares acquired and the proportional equity value of investment on the purchase date. These differences are amortized based on the expected period of return of the investment, estimated at 20 years.

p) Bonds payable

Bonds payable includes the placement of Yankee Bonds on the US markets and placement of bonds in UF in Chile, which are carried at the issue rate. The difference in valuation as compared to the effective placement rate is recorded as a deferred asset. This asset is amortized using the straight-line method over the term of the respective obligations.

q) Income taxes and deferred income taxes

The companies have recognized its current tax obligations in conformity with current legislation. The effects of deferred income taxes arising from temporary differences between the basis of assets and liabilities for tax and financial statement purposes are recorded on the basis of the enacted tax rate that will be in effect at the estimated date of reversal, in conformity with Technical Bulletin No. 60 issued by the Chilean Institute of Accountants. The effects of deferred income taxes existing at the time of the enforcement of the aforesaid Bulletin, i.e. January 1, 2000, and not previously recognized, are recorded as gain or loss according to their estimated reversal period.

r) Staff severance indemnities

The Company has recorded a liability for long-term service indemnities in accordance with the collective agreements entered into with its employees. The provision is stated at present value of the projected cost of the benefit, which is discounted at a 7% annual rate and a capitalization period using the staff's expected length of service to their retirement date.

s) Deposits for containers

Corresponds to the liabilities constituted by cash guarantees received from clients for lending bottles to them. The amount of such inventory is determined annually through an annual inventory of containers in the possession of clients. This inventory is valued at the average weighted value of the guarantee for the last seven years, for each type of container, and the effect is recorded in the operating income of the Company for those container guarantees established through January 31, 2001. These guarantees are not adjustable and they do not have an expiration date; therefore, the liability valuation was calculated for the seven aforesaid years.

For those loans for placement subsequent to January 31, 2001, an expiration date of five years as from the invoice date was established. In the event the client has not returned all or a portion of the containers and/or cases, the Company may, without delay, enforce the guarantee, in whole or in part, in cash and record that effect in operating income of the Company.

This liability is presented in Other long-term liabilities, considering that the number of new containers in circulation in the market during the year is historically greater than the number of containers returned by clients during the same period.

t) Revenue recognition

Given the nature of its operations, the Company records revenue based on the physical delivery of finished products to its clients, based on the realization principle and in accordance with Technical Bulletin No. 70 issued by the Chilean Institute of Accountants.

u) Derivative contracts

Derivative contracts include forward and swap currency contracts used to cover the risk of exposure to exchange rate differences as follows:

These hedge instruments are recorded at their market values for existing items. Unrealized losses are recognized as a charge to income and gains are deferred and included in Other liabilities (current or long-term), depending on whether the difference is a loss or gain.

Hedge contracts for forecasted transactions are recorded at market value and their changes in value are accounted for as unrealized gains or losses. Upon contract expiration, the deferred gains and losses are recorded in income.

v) Computer software

Software currently in use corresponds to computer packages purchased from third parties, and programs developed internally. Software purchased from third parties is capitalized and amortized over a maximum period of four years. Disbursements incurred for internally developed programs are expensed.

w) Research and development costs

Costs incurred by the Company in research and development are immaterial given the nature of the business and the strong support from The Coca-Cola Company to its bottlers.

x) Consolidated statement of cash flows

For purposes of preparation of the statement of cash flow, the Company has considered cash equivalent to be investments in fixed-income mutual funds and time deposits maturing within 90 days, repurchase agreements maturing within 90 days.

Cash flows from operating activities include all business-related cash flows as well as interest paid, financial income and, in general, all cash flows not defined as from financial or investment activities. The operating concept used for this statement is broader than that in the statement of income.

NOTE 3 - ACCOUNTING CHANGES

There are no changes in the application of generally accepted accounting principles in Chile in relation to the previous year that could significantly affect the comparability of these financial statements.

NOTE 4 - MARKETABLE SECURITIES

The composition of the balance at March 31, 2006, was as follows:

	Accounting value for the period ended March 31,	
	2006	2005
	ThCh$	ThCh$
Bonds	4,400,678	14,463,872
Mutual Funds	71,508	1,476,138
Investment Funds	12,998,571	29,684,905
Total Marketeable Securities	17,470,757	45,624,915

Investment Funds	Balance as of March 31, 2006 ThCh$
Citi Institutional Liquid Reserves Limited	12,998,571
Total	12,998,571

Fixed Income	Date			Accounting value			
	Purchase	Maturity	Par Value	Amount ThCh$	Rate	Market Value ThCh$	Provision ThCh$
SUDAMERICANO	09-06-2005	03-15-2007	1,757,654	1,757,654	7,60%	1,740,245	17,409
SUDAMERICANO	11-30-2004	03-15-2007	2,660,433	2,660,433	7,60%	2,676,590	0

NOTE 5 - SHORT-AND LONG-TERM RECEIVABLES

Almost all these accounts correspond to the soft drink business.

	Current								
	Up to 90 days		More than 90 days up to 1 year		Subtotal	Total Current (net)		Long Term	
	Mar 31, 2006 ThCh$	Mar 31, 2005 ThCh$	Mar 31, 2006 ThCh$	Mar 31, 2005 ThCh$	Mar 31, 2006 ThCh$	Mar 31, 2006 ThCh$	Mar 31, 2005 ThCh$	Mar 31, 2006 ThCh$	Mar 31, 2005 ThCh$
Trade receivables	22,738,644	24,991,225	833,082	2,057,052	23,571,726	22,231,021	25,098,438	0	0
Allowance for doubtful accounts	0	0	0	0	1,340,705	0	0	0	0
Notes receivable	7,548,519	6,964,616	118,440	1,458,486	7,666,959	7,202,760	6,971,397	0	0
Allowance for doubtful accounts	0	0	0	0	464,199	-		0	0
Other receivables	8,745,723	18,631,877	10,889,086	299,517	19,634,809	19,557,029	18,818,047	89,806	54,372
Allowance for doubtful accounts	0	0	0	0	77,780	0	0	0	0
Total long term receivables								89,806	54,372

NOTE 6 - BALANCES AND TRANSACTIONS WITH RELATED COMPANIES

Accounts payable and receivable with related companies correspond mainly to product purchases and sales made at market conditions. These balances are due within approximately 45 days.
Accounts receivable from Embonor S.A. and Embotelladora Coca-Cola Polar S.A. correspond to sale price of Vital Aguas S.A. shares according to the operation described under Note 14 hereto.

a) Notes and accounts receivable

Company	Short Term		Long Term	
	Mar. 31, 2006	Mar. 31, 2005	Mar. 31, 2006	Mar. 31, 2005
	ThCh$	ThCh$	ThCh$	ThCh$
EMBONOR S.A.	899,571	0	0	0
EMBOTELLADORA COCA COLA POLAR S.A.	341,124	0	0	35,032
COCA-COLA DE CHILE S.A.	0	0	33,915	0
SPBR S.R.L.	296,137	0	0	0
CENTRALLI REFRIGERANTES S.A.	16,931	0	0	0
RECOFARMA INDUSTRIAS DO AMAZONAS LTDA.	0	291,810	0	0
TOTAL	1,553,763	291,810	33,915	35,032

b) Notes and accounts payable

Company	Short Term		Long Term	
	Mar. 31, 2006	Mar. 31, 2005	Mar. 31, 2006	Mar. 31, 2005
	ThCh$	ThCh$	ThCh$	ThCh$
ENVASES CMF S.A.	2,750,783	3,064,946	0	0
COCA- COLA DE CHILE S.A.	1,490,776	948,790	0	0
RECOFARMA INDUSTRIAS DO AMAZONAS LTDA.	1,169,664	0	0	0
ENVASES CENTRAL S.A.	547,212	835,281	0	0
ENVASES DEL PACIFICO S.A.	146,784	0	0	0
CICAN S.A.	142,467	6,039	0	0
EMBONOR S.A.	0	0	2,974,027	0
EMBOTELLADORA COCA-COLA POLAR S.A.	0	0	763,337	0
ENVASES DEL PACIFICO S.A.	0	286,971	0	0
SPBR S.R.L.	0	1,254,372	0	0
TOTAL	6,247,686	6,396,399	3,737,364	0

c) Transactions with related companies were as follows:

Company	Relation	Transaction	Mar. 31, 2006		Mar. 31, 2005	
				Effect on Income		Effect on Income
			Amount	((charge)/credit)	Amount	((charge)/credit)
ENVASES CENTRAL S.A.	Equity investee	Sales of raw materials and supplies	264,231	(29,538)	264,767	(4,530)
	-	Finished product purchases	3,371,573	0	3,640,366	0
COCA-COLA DE CHILE S.A.	Shareholder Related	Concentrate purchases	8,952,407	0	9,845,990	0
	-	Payment of advertising participation	408,473	(408,473)	963,175	(963,175)
	-	Sales of advertisement	0	0	344,887	(344,887)
	-	Water source rental	345,384	(345,384)	454,366	(454,366)
COCA-COLA DE ARGENTINA S.A.	Shareholder Related	Sales of advertisement	768,345	(768,345)	479,225	(479,225)
ENVASES DEL PACIFICO S.A.	Director in common	Purchase of raw materials	99,687	0	209,404	0
RECOFARMA INDUSTRIAS DO AMAZONAS LTDA.	Shareholder Related	Concentrate purchases	10,556,341	0	7,792,375	0
	-	Advertising Participation	389,624	(389,624)	621,379	(621,379)
ENVASES CMF S.A.	Equity investee	Purchase of Containers	2,483,613	0	3,632,286	0
SERVICIOS Y PRODUCTOS PARA BEBIDAS REFRESCANTES	Shareholder Related	Concentrate purchases	5,865,458	0	5,653,609	0
EMBONOR S.A.	Shareholder Related	Sale of Finished Products	1,881,555	0	0	0
EMBOTELLADORA COCA-COLA POLAR S.A.	Shareholder Related	Sale of Finished Products	1,236,732	0	0	0

NOTE 7 - INVENTORIES

Inventories at each year end consisted of the following:

	March 31, 2006			March 31, 2005		
	Gross value ThCh$	Obsolescence provision ThCh$	Net Value ThCh$	Gross value ThCh$	Obsolescence provision ThCh$	Net Value ThCh$
Raw Materiasl	8,372,333	(59,094)	8,313,239	12,277,083	(135,858)	12,141,225
Finished Products	8,144,144	(362,529)	7,781,615	7,967,010	(47,370)	7,919,640
Products in process	888,890	0	888,890	86,274	0	86,274
Raw Materials in Transit	596,422	0	596,422	1,704,694	0	1,704,694
Total	18,001,789	(421,623)	17,580,166	22,035,061	(183,228)	21,851,833

NOTE 8 - INCOME TAXES AND DEFERRED INCOME TAXES

a) At period end 2006 and 2005, the Company does not present taxable profits funds or non-taxable profits. (Short-term and long-term assets and liabilities must be netted out to conform the general balance sheet on deferred taxes).

b) Deferred income taxes at each year-end were as follows:

	March 31, 2006				March 31, 2005			
	Assets		Liabilities		Assets		Liabilities	
	Short Term	Long Term	Short Term	Long Term	Short Term	Long Term	Short Term	Long Term
Temporary Differences	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
Allowance for doubtful accounts	118,279	47,247	0	0	453,160	125,337	0	0
Vacation provision	116,835	0	0	0	91,515	0	0	0
Production expenses	7,871	0	0	0	0	0	0	0
Depreciation of property, plant & equipment	0	0	114,553	3,495,626	0	0	128,676	5,252,540
Severance indemnities	406,501	0	43,503	847,718	42,669	0	5,397	218,963
Provision for labor & commercial lawsuits	0	4,919,610	0	0	0	3,843,894	0	0
Tax loss carry-forwards	1,345,157	7,484,389	0	0	687,632	13,356,760	0	0
Others	356,824	775,534	0	82,497	461,028	2,082,601	0	192,254
Local bond issue expenses	0	0		199,329	0	0	0	200,057
Social contributions	484,257	2,103,710	0	0	247,547	2,643,335	0	0
Provision for asset write off	258,074	1,248,909	0	0	189,422	1,088,898	0	0
Contingency allowance	0	1,954,565	0	0	0	1,698,565	0	0
Guarantee deposit	0	0	0	2,622,062	0	0	0	2,798,638
Accrued interests abroad	0	0	3,545,141	0	0	0	2,122,959	0
Complementary accounts, net of amortization	0	(4,349,969)	0	(2,998,749)	0	(4,072,643)	0	(3,598,333)
Valuation allowance	0	(9,588,657)			0	(15,663,783)		
Total	3,093,798	4,595,338	3,703,197	4,248,483	2,172,973	5,102,964	2,257,032	5,064,119

c) Income tax expense for each year was as follows:

Item	March 31, 2006 ThCh$	March 31, 2005 ThCh$
Current tax expense (tax allowance)	(3,127,820)	(2,682,715)
Tax expense adjustment (previous period)	265,021	433,605
Deferred income tax expense/effect over assets or liabilities	(2,285,816)	(2,229,864)
Amortization of deferred income tax asset and liability complementary accounts	(496,105)	(179,099)
Deferred income tax expense/effect over assets or liabilities due to changes in the valuation allowance	2,541,510	2,626,435
Other charges or credits	0	207
Total	(3,103,210)	(2,031,431)

NOTE 9 - SHORT AND LONG-TERM LEASING AGREEMENTS AND LEASING ASSETS

Not applicable.

NOTE 10 - OTHER CURRENT ASSETS

In accordance with Circular 1501, no information was reported since this balance represents less than 10% of Current assets.

NOTE 11 - REPURCHASE / RESALE AGREEMENTS

The Company had no repurchase/resale agreements.

NOTE 12 - PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consisted principally of land, buildings, improvements and machinery. Machinery and equipment included production lines and supporting equipment; sugar processing and liquefaction equipment; transportation machinery; and computer equipment. The Company has purchased insurance to cover its fixed assets and inventories. These assets are distributed as follows:

Chile : Santiago, Renca, Rancagua, San Antonio and Rengo
Argentina: Buenos Aires, Mendoza, Cordoba, and Rosario
Brazil : Rio de Janeiro, Niteroi, Campos, Cabo Frío, Nova Iguazú, Espirito Santo and Vitoria.

a) Principal components of property, plant and equipment at each year end are as follows:

	Balances at March 31, 2006			Balances at March 31, 2005		
	Assets ThCh$	Accumulated Depreciation ThCh$	Net property, plant & equipment ThCh$	Assets ThCh$	Accumulated Depreciation ThCh$	Net property, plant & equipment ThCh$
Land	12,752,684	0	12,752,684	13,459,634	0	13,459,634
Buildings and improvements	78,986,877	(30,649,338)	48,337,539	91,739,321	(37,938,366)	53,800,955
Machinery and equipment	209,669,804	(162,139,557)	47,530,247	225,045,447	(167,942,194)	57,103,253
Other property, plant and equipment	201,069,682	(171,384,839)	29,684,843	207,409,467	(176,120,221)	31,289,246
Technical reappraisal of property, plant & equipment	2,007,945	(605,982)	1,401,963	2,007,564	(595,876)	1,411,688
Total	504,486,992	(364,779,716)	139,707,276	539,661,433	(382,596,657)	157,064,776

b) Other property, plant and equipment at each year end were as follows:

	Balances at March 31,	
	2006 ThCh$	2005 ThCh$
Containers	109,621,533	109,981,302
Refrigerating equipment, promotional items and other minor assets	55,386,277	58,083,122
Furniture and tools	3,982,376	3,772,250
Others	32,079,496	35,572,793
Total other property, plant and equipment	201,069,682	207,409,467

c) Gain on Technical reappraisal of property, plant and equipment at each year end was as follows:

	Balances at March 31, 2006			Balances at March 31, 2005		
	Assets ThCh$	Accumulated Depreciation ThCh$	Net property, plant & equipment ThCh$	Assets ThCh$	Accumulated Depreciation ThCh$	Net property, plant & equipment ThCh$
Land	1,340,887	0	1,340,887	1,340,602	0	1,340,602
Buildings and improvements	187,783	(126,804)	60,979	187,684	(123,445)	64,239
Machinery and equipment	479,275	(479,178)	97	479,278	(472,431)	6,847
Total	2,007,945	(605,982)	1,401,963	2,007,564	(595,876)	1,411,688

d) Depreciation for the period

Depreciation for the period amounted to ThCh$7,378,623 and ThCh$6,249,957 are included, under Operating Costs and ThCh$1,128,666 under Sales and Administrative Expenses in the Income Statement.

NOTE 13 - SALES TRANSACTIONS UNDER LEASEBACK AGREEMENTS

The Company had no agreements of this type.

NOTE 14 - INVESTMENT IN RELATED COMPANIES

1. Investment in related companies and the corresponding direct shareholding in equity, as well as the recognition of unrealized income at year end of the respective years, are shown in the table attached.

The main changes occurred in the reported periods are described below:

Centralli Refrigerantes S.A. records a negative equity, which has been provisioned accordingly.

The investments in Kaik Partipacoes Ltda. (Brazil) and in Cican S.A. (Argentina), where Embotelladora Andina S.A. holds an indirect ownership of 11.32% and 15.2% respectively, have been valued according to the equity method, because we have presence in both companies through a Director, who participates in the procedures for setting policies, operating and financial Marisions in accordance with the ownership structure of both companies, which are exclusively owned by Coca-Cola bottlers in Brazil and Argentina, respectively.

The investment in Envases Central S.A. is presented with a 48% reduction (the percentage share on the date of transaction) of the earnings generated during the sale to Envases Central during Marember 1996 for property located in Renca, because this transaction represents unrealized income for Embotelladora Andina S.A. The amount of the reduction is reflected in the following chart. This transaction will be realized once the property is transferred to a third party different from the group.

The investment in Envases CMF S.A. is presented with a 50% reduction of the earnings generated during the sale of machinery and equipment of our subsidiary Envases Multipack S.A. which took place in June, 2001, and will be recorded under Results during the remaining useful life period of the goods sold to Envases CMF S.A.

On December 22, 2005 the production and packaging business of waters, juices and non-carbonated beverages licensed by The Coca-Cola Company ("TCCC") in Chile was restructured. Vital Aguas S.A. is created with the purpose of developing the de process, production and packaging business of Vital de Chanqueahue Mineral Water and other water and products according to the terms of the contracts and authorizations agreed upon by Vital Aguas S.A. and TCCC. Consequently, Vital S.A. will focus on juices and non-carbonated beverages.

Accordingly, Embotelladora Andina S.A., Embonor S.A. and Embotelladora Coca-Cola Polar S.A. have taken an interest of 56.5%, 26.4% and 17.1%, respectively, in Vital Aguas S.A., which will conduct the business of the processing, production and bottling of the *Vital de Chanqueahue* Mineral Water and other water and products, according to the terms of the contracts and authorizations agreed upon by Vital Aguas S.A. and TCCC.

The equity interests of Embonor S.A. and Embotelladora Coca-Cola Polar in Vital Aguas S.A. were acquired by purchase from Embotelladora Andina S.A. and its subsidiary, Andina Inversiones Societarias S.A., at the prices equivalent to 169,306 Unidades de Fomento and 109,428 Unidades de Fomento, respectively, generating earnings of ThCh$3,890,351 (historical Chilean pesos) (215,919 Unidades de Fomento), as of December 31, 2005.

Unrealized income corresponds to transactions between subsidiaries and/or the parent company that have been deducted or added to the category of the originating asset with the following effect on income of the subsidiaries:

		2006 ThCh$	2005 ThCh$
Envases CMF S.A.	Purchase of containers	(222.591)	(171,115)
Envases Central S.A.	Purchase of finished products	(12,035)	(16,596)

2. No liabilities have been designated as hedging instruments for investments abroad.
3. Income likely to be remitted by subsidiaries abroad amounts to US$180.9 million.

Investments in related companies and the related direct participation in equity and unrealized results at each year end were as follows.

				Ownership Interest		Equity of companies		Income (loss) for the period		Accrued income		Partic in net income (loss)		Unrealized income (loss)		Book value of investment	
Company	Country	Functional Currency	Number of Shares	Mar. 31, 2006	Mar. 31, 2005	Mar. 31, 2005	Mar. 31, 2004	Mar. 31, 2005	Mar. 31, 2004	Mar. 31, 2005	Mar. 31, 2004	Mar. 31, 2005	Mar. 31, 2004	Mar. 31, 2005	Mar. 31, 2004	Mar. 31, 2005	Mar. 31, 2004
				%	%	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
ENVASES CMF S.A.	CHILE	CH$	28,000	50.00	50.00	34,334,771	34,460,355	1,009,312	1,144,134	282,065	400,952	17,167,386	17,230,178	1,083,472	1,154,273	16,083,914	16,075,905
ENVASES CENTRAL S.A.	CHILE	CH$	2,429,236	49.91	49.91	4,427,047	5,056,475	44,452	(26,989)	10,151	(30,082)	2,209,539	2,523,687	219,707	219,660	1,989,832	2,304,027
KAIK PARTICIPACOES	BRAZIL	US$	16,098,919	11.32	11.32	12,488,981	10,376,341	(292,945)	1,655,629	(33,160)	187,412	1,413,715	1,174,570	0	0	1,413,715	1,174,570
CENTRALLI REFRIGERANTES	BRAZIL	US$	3,005	25.00	25.00	0	0	0	0	0	0	0	0	0	0	0	0
CICAN S.A.	ARGENTINA	US$	3,040	15.20	15.20	7,624,659	5,847,474	503,224	563,042	76,490	85,583	1,158,947	888,816	0	0	1,158,947	888,816
TOTAL												21,949,587	21,817,251	1,303,179	1,373,933	20,646,408	20,443,318

NOTE 15 - INVESTMENTS IN OTHER COMPANIES

In accordance with Circular 1501, no information was reported since this balance represents less than 10% of Other assets.

NOTE 16 – GOODWILL AND NEGATIVE GOODWILL

Goodwill at each year end and the amortization during each year were as follows:

	March 31, 2006		March 31, 2005	
Company	Amortization during the period ThCh$	Goodwill balance ThCh$	Amortization during the period ThCh$	Goodwill balance ThCh$
RIO DE JANEIRO REFRESCOS LTDA.	884,473	43,669,278	1,007,118	53,808,664
EMBOTELLADORA DEL ATLANTICO S.A.	689,174	27,609,863	798,898	35,201,219
VITAL S. A.	16,097	627,808	28,034	740,334
TOTAL	1,589,744	71,906,949	1,834,050	89,750,217

NOTA 17 - INTANGIBLES

In accordance with Circular 1501, no information was reported since the balance represents less than 10% of Other assets.

NOTE 18 - OTHER LONG TERM ASSETS

Other long term assets at each year end were as follows:

	2006 ThCh$	2005 ThCh$
Bonds:		
Celulosa Arauco S.A.	11,975,424	13,892,448
Enap S.A.	9,387,484	11,005,366
Endesa S.A.	8,000,195	9,379,593
Chile Soberano	7,564,284	8,802,307
Petróleos Mexicanos S.A.	7,440,554	2,724,439
Compañía Manufacturera de Papeles y Cartones S.A.	7,277,787	5,379,687
Teléfonos de México S.A.	7,034,792	8,182,993
Codelco	5,394,398	6,294,157
México Soberano	4,913,306	5,762,245
Banco Scotiabank Sud Americano	0	3,100,047
Federal Home Loan Bank (FHLB)	2,637,470	0
Brasil Telecom S.A.	2,140,328	1,962,332
Raytheon Company	2,140,612	2,481,078
International Paper Company	2,104,720	2,439,813
Altria Group	1,213,347	0
Alcoa Inc.	1,075,280	1,246,231
Time Deposits Deutsche Bank AG.	0	51,005,332
CLN Enersis Euros- Deutsche Bank AG.	0	12,119,841
CLN Endesa- Deutsche Bank AG.	5,261,800	6,184,193
CLN GMAC - Deutsche Bank AG.	1,704,823	1,995,862
CLN Ford- Deutsche Bank AG.	1,578,540	1,848,302
Cross Currency Swaps	23,832,473	12,406,165
Judicial Deposits (Brazil)	4,664,187	3,795,720
Issuance Expense Bond Placement	3,125,195	3,526,798
Recoverable Taxes	0	54,694
Others	2,682,936	2,829,950
Prepaid Expenses	1,760,816	1,525,658
Non-operating Assets	163,140	772,538
Total	125,073,891	180,717,789

NOTE 19 - SHORT-TERM BANK LIABILITIES

Short- term bank liabilities were as follows:

	US Dollars		Other foreign currencies		Non-indexed Ch$		TOTAL	
	Mar 31, 2006	Mar 31, 2005	Mar 31, 2006	Mar 31, 2005	Mar 31, 2006	Mar 31, 2005	Mar 31, 2006	Mar 31, 2005
	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
BANCO CHILE	0	0	0	0	0	6.311.292	0	6.311.292
BANCO RIO	0	0	0	3.191.473	0	0	0	3.191.473
BANCO HSBC ROBERTS	0	0	0	1.060.860	0	0	0	1.060.860
BANCO BBVA FRANCES	0	0	0	2.127.134	0	0	0	2.127.134
BANCO CITIBANK N.A. NUEVA YORK	5.866.771	0	0	0	0	0	5.866.771	0
DEXIA BANK BELGIUM	21.914.603	0	0	0	0	0	21.914.603	0
BANCO ITAÚ	0	0	977.381	0	0	0	977.381	0
Total	27.781.374	0	977.381	6.379.467	0	6.311.292	28.758.755	12.690.759
Principal Due	5.866.771	0	0	6.273.087	0	6.246.000	5.866.771	12.519.087
Average annual interest rate	5.14%			8.92%		3.35%		
Foreign currency liabilities (%)	100							
Local currency liabilities (%)	0							

Long term bank liabilities current portion:

	US Dollars		Other foreign currencies		TOTAL	
	Mar 31, 2006	Mar 31, 2005	Mar 31, 2006	Mar 31, 2005	Mar 31, 2006	Mar 31, 2005
	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
BANCO BOSTON	0	0	133.367	178.113	133.367	178.113
BANCO ITAU	0	0	0	278.361	0	278.361
BANCO SANTANDER	0	0	361.353	331.435	361.353	331.435
DEXIA BANK BELGIUM	0	2.011.004	0	0	0	2.011.004
Total	0	2.011.004	494.720	787.909	494.720	2.798.913
Principal Due	0	48.796.250	488.160	775.664	488.160	49.571.914
Average annual interest rate		6,51%	12,49%	13,52%		
Foreign currency liabilities (%)	100					
Local currency liabilities (%)	0					

NOTE 20 - OTHER CURRENT LIABILITIES

In accordance with Circular 1501, no information was reported since this balance represents less than 10% of current liabilities.

NOTE 21 - LONG-TERM BANK LIABILITIES

Long - term bank liabilities were as follows:

Bank or Financial Institution	Currency	Years to Maturity More than 1 up to 2	Total long term at March 31, 2006	Average annual interest rate	Total long term at March 31, 2005
		ThCh$	ThCh$		ThCh$
BANCO BOSTON	Other currency	11.904	11.904	12,39%	133.163
BANCO SANTANDER	Other currency	383.058	383.058	12,50%	751.611
DEXIA BANK BELGIUM	US$	0	0		48.796.250
TOTAL		394.962	394.962		49.681.024
Foreign currency liabilities (%)	100				

NOTE 22 - LONG-AND SHORT-TERM BONDS PAYABLE (PROMISSORY NOTES AND BONDS)

Risk classification of current bonds is as follows:

BONDS ISSUED IN THE US MARKET

A- : Rating according to Fitch Ratings Ltda.
BBB+ : Rating according to Standard & Poor's

BONDS ISSUED IN THE LOCAL MARKET

AA : Rating according to Fitch Ratings Ltda.
AA : Rating according to Feller & Rate Ltda.

Bond repurchases.

During 2000, 2001 and 2002, Embotelladora Andina S.A. repurchased bonds issued in the U.S. market through its subsidiary, Abisa Corp S.A. for a total amount of US$314 million of the US$350 million, which are presented deducting the long term liability from the bonds payable account.

Bonds issued by the subsidiary Rio de Janeiro Refrescos Ltda. (RJR).

The subsidiary RJR has liabilities corresponding to an issuance of bonds for US$75 million maturing in December 2007 and semiannual interest payments. At the closing of the periods 2006 and 2005, all such bonds are wholly-owned by the subsidiary Abisa Corp. Consequently, the effects of such transactions have been eliminated from these consolidated financial statements, both in the balance sheet and in the consolidated statement of income.

Details of bonds payable are as follows:

	Series	Nominal Value	Currency	Interest rate	Maturity date	Term		Par Value		Placement in Chile or abroad
						Interest paid	Amortization period	Mar 31, 2006	Mar 31, 2005	
Current portion of long term bonds										
YANKEE BONDS INTERESTS	A	32,076,000	US$	7%	October 1, 2007	HALF YEARLY	OCT.2007	0	684,771	FOREIGN
YANKEE BONDS INTERESTS	B	4,000,000	US$	7.625%	October 1, 2027	HALF YEARLY	OCT.2027	0	93,018	FOREIGN
REGISTRO 254 SVS June 13, 2001 CAPITAL AND INTERESTS	A	1,650,000	UF	6.200%	June 1, 2008	HALF YEARLY	JUN.2008	16,367,518	16,597,340	CHILE
REGISTRO 254 SVS June 13, 2001 CAPITAL AND INTERESTS	B	3,700,000	UF	6.500%	June 1, 2026	HALF YEARLY	JUN.2026	1,413,629	1,412,703	CHILE
Total								17,781,147	18,787,832	
Long term bonds										
BONOS YANKEE BONDS	A	32,076,000	US$	7%	October 1, 2007	HALF YEARLY	OCT.2007	16,877,750	19,564,857	FOREIGN
BONOS YANKEE BONDS	B	4,000,000	US$	7.625%	October 1, 2027	HALF YEARLY	OCT.2027	2,104,720	2,439,813	FOREIGN
REGISTROS 254 SVS June 13, 2001	A	1,650,000	UF	6.200%	June 1, 2008	HALF YEARLY	JUN.2008	13,795,058	25,602,621	CHILE
REGISTROS 254 SVS June 13, 2001	B	3,700,000	UF	6.500%	June 1, 2026	HALF YEARLY	JUN.2026	66,287,958	66,244,540	CHILE
Total								99,065,486	113,851,831	

NOTE 23 - PROVISIONS AND WRITE-OFFS

Provisions at each year end were as follows:

	Short Term		Long Term	
	2006	2005	2006	2005
Provisions	ThCh$	ThCh$	ThCh$	ThCh$
Staff severance indemnities	437,542	308,626	5,067,352	5,140,609
Contingencies	66,517	80,252	9,057,673	8,525,230
Taxation on banking transactions & social contribution(Brazil)	0	0	9,716,730	6,665,029
T O T A L	504,059	388,878	23,841,755	20,330,868

NOTE 24 - STAFF SEVERANCE INDEMNITIES

Movements in the provision for staff severance indemnities were as follows:

	2006	2005
	ThCh$	ThCh$
Beginning balance	5,473,769	2,828,624
Provision for the period	198,350	2,658,922
Payments	(167,225)	(38,311)
Ending balance	5,504,894	5,449,235

NOTE 25 - OTHER LONG-TERM LIABILITIES

In accordance with Circular 1501, no information was reported since this balance represents less than 10% of Long-term liabilities.

NOTE 26 - MINORITY INTEREST

	2006	2005
LIABILITIES	ThCh$	ThCh$
Vital Aguas S. A.	1,166,817	0
Embotelladora del Atlántico S. A.	18,889	0
Andina Inversiones Societarias S.A.	58	54
	1,185,764	54
INCOME STATEMENT		
Vital Aguas S. A.	(70,200)	0
Embotelladora del Atlántico S. A.	(865)	0
Andina Inversiones Societarias S.A.	(1)	(1)
	(71,066)	(1)

NOTE 27 - CHANGES IN SHAREHOLDERS' EQUITY

Movements in shareholders' equity were as follows:

	March 31, 2006						March 31, 2005					
	Paid in Capital	Reserve Capital Revalued	Other Reserves	Accumulated Income	Interim Dividends	Net Income	Paid in Capital	Reserve Capital Revalued	Other Reserves	Accumulated Income	Interim Dividends	Net Income
	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
Beginning balance	197,904,994	0	(201,145)	26,334,355	(11,640,959)	56,039,346	191,027,986	0	14,574,144	56,671,256	(11,583,482)	40,158,726
Distribution of prior-year income	0	0	0	44,398,387	11,640,959	(56,039,346)	0	0	0	28,575,244	11,583,482	(40,158,726)
Translation adjustment reserve	0	0	3,754,495	0	0	0	0	0	7,766,748	0	0	0
Capital revalued	0	(593,715)	604	(212,197)	0	0	0	(1,528,224)	(116,594)	(681,972)	0	0
Income for the period	0	0	0	0	0	21,034,955	0	0	0	0	0	14,163,509
Ending balance	197,904,994	(593,715)	3,553,954	70,520,545	0	21,034,955	191,027,986	(1,528,224)	22,224,298	84,564,528	0	14,163,509
Price level restated balances							198,860,133	(1,590,881)	23,135,494	88,031,674	0	14,744,213

b) Number of shares:

Series	Subscribed Shares	Paid in shares	Number of shares with voting rights
A	380,137,271	380,137,271	380,137,271
B	380,137,271	380,137,271	380,137,271

c) Capital:

Series	Subscribed Capital ThCh$	Paid in Capital ThCh$
A	98,952,497	98,952,497
B	98,952,497	98,952,497

d) Other reserves:

Other reserves at each year end were as follows:

	2006 ThCh$	2005 ThCh$
Reserve for cumulative translation adjustments	2,568,636	22,150,387
Reserve for technical reappraisal of property, plant and equipment	164,081	164,081
Other reserves	821,237	821,026
Total	3,553,954	23,135,494

(1)The Reserve for cumulative translation adjustments was established in accordance with Technical Bulletin No. 64 issued by the Chilean Institute of Accountants and regulations specified under Circular letter No. 5,294 from the SVS.

The activity in the Reserve for cumulative translation adjustments was as follows:

Subsidiary	Balance January 1, 2005 ThCh$	Foreign exchange gains generated during the period Investment ThCh$	Release/Realized Reserve ThCh$	Balance March 31, 2006 ThCh$
Rio de Janeiro Refrescos Ltda.	(2,223,461)	2,291,233	162,448	230,220
Embotelladora del Atlántico S. A.	1,037,602	1,300,814	0	2,338,416
Total	(1,185,859)	3,592,047	162,448	2,568,636

NOTE 28 - OTHER NON-OPERATING INCOME AND EXPENSES

	2006 ThCh$	2005 ThCh$
Other non-operating income during the period was as follows:		
Gain on sale of plant, property and equipment	790,264	175,197
Other income	75,583	106,929
Sub-total	865,847	282,126
Translation of Financial Statements (1)	544,252	330,736
Total	1,410,099	612,862
Other non-operating expenses during the period was as follows:		
Loss on sale of property, plant and equipment	(656,822)	(121,669)
Translation adjustment Reserve Realized (2)	(162,212)	0
Provision for labor and commercial lawsuits	(124,407)	(120,009)
Provision loss of investment in Centralli	(9,278)	(15,579)
Obsolescence and write-offs of property, plant and equipment	(4,887)	(4,118,569)
Staff Severance Indemnities	0	(2,844,941)
Others	(122,060)	(122,428)
Total	(1,079,666)	(7,343,195)

(1) This refers to the effects of the translation of the financial statements corresponding to investment in foreign companies (translation of local currency to US dollars), in accordance with Technical Bulletin N°64 issued by the Chilean Institute of Accountants, presented as Other Non-Operating Income and Expenses.

(2) Corresponds to release of Translation Adjustment Reserves resulting form capital decrease in our subsidiary Embotelladora del Atlantico S.A. during Decemeber of 2003

NOTE 29 - PRICE-LEVEL RESTATEMENT

Price-level restatement for each year end was as follows:

	Index	2006 ThCh$	2005 ThCh$
Assets - (charges)/credits			
Inventories	CPI	(239,218)	86,231
Property, plant and equipment	CPI	(217,220)	(582,142)
Investments in related companies	CPI	(423,541)	(1.255.963)
Cash, Time Deposits, Marketable Securities	CPI	(21,288)	(36,126)
Trade Accounts Receivable, Notes Receivable, Other Receivables	UF	(9)	(1,159)
Trade Accounts Receivable, Notes Receivable, Other Receivables	CPI	(28)	(485)
Accounts Receivable related Companies short term	CPI	(110,836)	(359,196)
Recoverable taxes	CPI	(8,694)	(4,172)
Differred Taxes	CPI	0	3,911
Other current assets	CPI	(574)	0
Other current assets	UF	19,183	(11,242)
Goodwill	CPI	(2,403)	(11,211)
Other long term assets	UF	0	(15,190)
Other long term assets	CPI	(263,846)	(1,151,733)
Other non monetary assets	CPI	0	0
Costs and Expenses accounts		(16,610)	(83,213)
Total (charges)/credits		(1,285,084)	(3,421,690)
Liabilities - (charges)/credits			
Shareholders' equity	CPI	805,308	2,422,188
Short and long term bonds payable	UF	315,256	737,590
Short and long term bonds payable	CPI	55,467	216,013
Accounts Payable related Companies short term	UF	2,927	0
Other current liabilities	UF	537	0
Other current liabilities	CPI	(110,643)	8,820
Other long term liabilities	CPI	4,953	(32,174)
Income accounts	CPI	21,017	110,615
Total (charges) credits	CPI	1,094,822	3,463,052
Price-level restatement (loss) gain		(190,262)	41,362

NOTE 30 - FOREIGN EXCHANGE GAINS/LOSSES

Assets - (charges)/credits	Currency	March 31, 2006 ThCh$	March 31, 2005 ThCh$
Cash	US$	65,523	35,653
Time deposits	US$	510	0
Marketable securities	US$	512,667	(83,757)
Other receivables	US$	229,537	3,521
Short term notes and accounts receivable related companies	US$	1,842,910	2,595,283
Inventories	US$	29,877	39,667
Other current assets	US$	76,740	85,423
Property, plant & equipment	US$	2,154	(23)
Other assets	US$	2,641,330	9,024,691
Total (charges) credits		5,401,248	11,700,458
Liabilities - (Charges) / credits			
Bonds payable	US$	(108,723)	(256,932)
Accounts payable	US$	7,208	(3,072)
Provisions	US$	4,141	0
Bonds payable-long term	US$	(548,987)	(1,238,913)
Other current liabilities	US$	940	(2,018)
Total (charges) credits		(645,421)	(1,500,935)
Foreign exchange gain (loss), net		4,755,827	10,199,523

NOTE 31 - EXTRAORDINARY ITEMS

There were no extraordinary items in 2005 and 2004.

NOTE 32 - SHARE AND DEBT SECURITY ISSUE AND PLACEMENT EXPENSES

Bond issue and placement expenses are presented in Other current assets and Other long-term assets and are amortized on a straight-line basis over the term of the debt issued. Amortization is presented as financial expenses.

Bonds issued in the US market:

Debt issue costs and discount have all been amortized, as a result of the repurchase of Bonds reported in note 22.

Bonds issued in the local market:

Debt issue costs and discounts amounted to ThCh$1,172,524. Disbursements for risk rating reports, legal and financial advisory services, printing and placement fees are included as Debt issue costs.

Amortization for the period 2006 amounted to ThCh$41,679 (ThCh$41,670 in 2005).

NOTE 33 - CONSOLIDATED STATEMENT OF CASH FLOWS

For the projection of future cash flows, there are no transactions and events to consider which have not been revealed in these financial statements and accompanying notes.

Below is an itemization of the movement of assets and liabilities not affecting the cash flow in the period, but compromising future cash flows.

Cash Flow Statement

	2006 ThCh$	Maturity Date	2005 ThCh$	Maturity Date
Expenses				
Dividend payments	(5,172,908)	Apr 27, 2006	(3,988,887)	Apr 28, 2005
Additions to property, plant and equipment	(700,510)	May 15, 2006	(970,415)	May 15, 2005
Additions to property, plant and equipment	(146,457)	June 30, 2006	(42,700)	Jun 29, 2005
Additions to property, plant and equipment	(82,746)	Sep. 15 2006	(3,012)	Jul 31, 2005
Total expenses	(6,102,621)		(5,005,014)	
Income				
Sale of property, plant and equipment	6,149	May 15, 2006	4,540	May 15, 2005
Total Income	6,149		4,540	
Total Net	(6,096,472)		(5,000,474)	

NOTE 34 - DERIVATIVE CONTRACTS

Derivative contracts at March 31, 2006 were as follows:

Derivative	Contract	Value	Maturity Period	Specific Item	Position Purchase /sale	Hedged item or transaction Concept	Amount	Hedged Item Value	Assets/liabilities Item	Amount	Effect on income Realized	Unrealized
		ThCh$					ThCh$	ThCh$		ThCh$	ThCh$	ThCh$
SWAP	CCPE	2,639,231	I QUARTER 2007	US$ Exchange Rate	S	Long term bonds US$	3,718,120	2,660,433	Other current and long term assets	1,104,712	(106,137)	146,134
SWAP	CCPE	2,640,601	III QUARTER 2007	US$ Exchange Rate	S	Long term bonds US$	2,747,765	2,645,450	Other current and long term assets	1,104,430	(110,173)	136,478
SWAP	CCPE	40,623,288	IV QUARTER 2007	US$ Exchange Rate	S	Long term bonds US$	47,599,704	40,598,076	Other current and long term assets	8,773,077	(1,094,994)	1,867,146
SWAP	CCPE	7,916,378	I QUARTER 2008	US$ Exchange Rate	S	Long term bonds US$	10,456,161	7,906,192	Other current and long term assets	3,312,466	(307,968)	190,170
SWAP	CCPE	8,197,610	II QUARTER 2008	US$ Exchange Rate	S	Long term bonds US$	11,100,360	8,294,470	Other current and long term assets	3,427,358	(170,444)	776,921
SWAP	CCPE	12,918,577	III QUARTER 2008	US$ Exchange Rate	S	Long term bonds US$	16,620,691	12,868,345	Other current and long term assets	5,308,396	(482,255)	737,339
SWAP	CCPE	5,332,805	I QUARTER 2013	US$ Exchange Rate	S	Long term bonds US$	7,260,554	5,405,985	Other current and long term assets	2,224,237	(198,120)	648,795
FR	CCTE	9,335,084	II QUARTER 2006	US$ Exchange Rate	P	Suppliers foreign exchange	9,342,326	0	Other current and long term assets	20,387	0	20,387
FR	CCTE	2,636,230	II QUARTER 2006	US$ Exchange Rate	S	Suppliers foreign exchange	2,430,952	0	Other current and long term assets	4,685	0	(4,685)
FR	CCTE	6,735,450	III QUARTER 2006	US$ Exchange Rate	P	Suppliers foreign exchange	6,716,688	0	Other current and long term assets	906	0	(906)
FR	CCTE	2,794,318	III QUARTER 2006	US$ Exchange Rate	S	Suppliers foreign exchange	20,504,617	0	Other current and long term assets	799	0	799
FR	CCTE	11,348,051	IV QUARTER 2006	US$ Exchange Rate	P	Suppliers foreign exchange	11,470,198	0	Other current and long term assets	171,565	0	171,565
FR	CCTE	3,486,627	IV QUARTER 2006	US$ Exchange Rate	S	Suppliers foreign exchange	3,304,410	0	Other current and long term assets	50,626	0	50,626

NOTE 35 - CONTINGENCIES AND RESTRICTIONS

a. Litigation and other legal actions:

Andina and its subsidiaries are not involved or likely to be involved in any material judicial or out-of-court litigation that could result in gains or losses. Current lawsuits are described below.

1) The Chilean Internal Revenue Service has commenced a penal lawsuit against our subsidiary Vital S.A. and against those ultimately responsible for the application of tax losses. At the same time, a lawsuit has been filed for the recovery of income tax and the application of accumulated losses. The company's legal advisors believe there is a remote or slight likelihood of a negative outcome in both procedures.

2) Embotelladora del Atlántico S.A. faces labor and other lawsuits. Accounting provisions to back any probable loss contingency stemming from these lawsuits, amounts to ThCh$1,732,672 (ThCh$2,043,000 in 2005). In accordance with its legal counsel's opinion, the Company deems improbable that unstipulated contingencies may affect the results or equity of the Company.

3) Rio de Janeiro Refrescos Ltda. faces labor, tax and other lawsuits. Accounting provisions to back any probable loss contingencyarising from these lawsuits, amounts to ThCh$17,041,869 (ThCh$6,482,230 in 2005). In accordance with its legal counsel's opinion, the Company deems improbable that unstipulated contingencies may affect the results or equity of the Company.

4) Embotelladora Andina S.A. faces, labor, tax, commercial and other lawsuits. Accounting provisions to back any probable loss contingency stemming from these lawsuits, amounts to ThCh$66,517 (ThCh$80,252 in 2005). In accordance with its legal counsel's opinion, the Company deems improbable that contingencies without provisions may affect the results or equity of the Company.

b. Restrictions

The bond issue and placement on the US market for US$ 350 million is subject to certain restrictions against preventive attachments, sale and leaseback transactions, sale of assets, subsidiary debt and certain conditions in the event of a merger or consolidation.

The bond issue and placement in the Chilean market for UF 7,000,000 is subject to the following restrictions:

Leverage ratio, defined as the total financial debt/shareholder's equity plus minority interest should be less than 1.20 times.

Financial debt shall be deemed Consolidated Finance Liabilities which include: (i) short-term bank liabilities, (ii) short-term portion of long-term bank liabilities, (iii) short-term liabilities-promissory notes, (iv) short-term portion of bonds payable, v) long-term bank liabilities, and (vi) long-term bonds payable. Consolidated equity means Total equity plus Minority Interest.

Consolidated assets are to be free of any pledge, mortgage or other encumbrance for an amount equal to at least 1.30 times the consolidated liabilities that are not guaranteed by the investee.

Andina must retain and, in no way, lose, sell, assign or dispose of to a third party the geographical zone denominated "Región Metropolitana", as a franchised territory in Chile by The Coca-Cola Company for the preparation, production, sale and distribution of the products and brands in accordance with the respective Bottling agreement, renewable from time to time.

Andina shall not lose, sell, assign or dispose of to a third party any other territory in Brazil or Argentina that is currently franchised to Andina by The Coca-Cola Company for the preparation, production, sale and distribution of the products and brands of the franchisor, as long as the referred territory represents more than forty percent of the Company's Consolidated Operating Cash Flows.

c. Direct guarantees

Guarantees at March 31, 2006 were as follows:

Guarantee creditor	Debtor				Assets involved		Balances pending at end of period	
	Name	Relation	Type of guarantee		Type	Book value	March 31,	
							2006	2005
ADUANA DE BUENOS AIRES	EMBOTELLADORA DEL ATLANTICO S.A.	Subsidiary	Insurance Guaranty		Inventories	3,443,730	0	0
UNIAO FEDERAL	RIO DE JANEIRO REFRESCOS LTDA.	Subsidiary	Mortgage		Warehouse	58,573	67,025	63,027
ESTADO RIO DE JANEIRO	RIO DE JANEIRO REFRESCOS LTDA.	Subsidiary	Mortgage		Judicial Deposit	11,850,214	9,879,740	0
PODER JUDICIARIO	RIO DE JANEIRO REFRESCOS LTDA.	Subsidiary	Judicial Deposit		Judicial Deposit	6,399,598	0	0
AGAS	EMBOTELLADORA ANDINA S.A	Main Office	Agreement		Agreement	157,854	0	0
FIDAE 2006	EMBOTELLADORA ANDINA S.A.	Main Office	Lease of Space		Lease of Space	4,479	0	0

NOTE 36 - GUARANTEES FROM THIRD PARTIES

Guarantees from third parties at March 31, 2006 were as follows:

Guarantor	Type of Guarantee	Amount	Currency	Transaction
Russel W. Coffin	Letter of Credit	42,680,238.12	USD	Purchase Nitvitgov Refrigerantes S.A.
CONFAB	Mortgage	30,000,000.00	USD	Purchase Rio de Janeiro Refrescos Ltda.
Clientes Diversos	Deposits	1,196,801.10	USD	Container Guaranty
Soc. Com. Champfer	Mortgage	626,253.66	USD	Distributor Credit
AGA S.A.	Policy	600,000.00	USD	Supplier Agreement
Mac Coke Dist. Beb.	Mortgage	416,115.39	USD	Distributor Credit
Tigresa Com. Beb.	Mortgage	278,797.31	USD	Distributor Credit
Franciscana Dist.	Mortgage	239,266.35	USD	Distributor Credit
ASXT Fluminense Distrib.Bebidas	Mortgage	233,024.62	USD	Distributor Credit
Dist. Real Cola (Apucarana)	Mortgage	228,863.46	USD	Distributor Credit
Dist União De Itaperuna	Mortgage	215,797.44	USD	Distributor Credit
Rosas de Casimiro	Mortgage	178,929.62	USD	Distributor Credit
Aguiar Distrib.de Bebidas Ltda	Mortgage	166,862.27	USD	Distributor Credit
MBM Distribuidora de Beb	Mortgage	154,794.92	USD	Distributor Credit
Ledesma SAAI	Guaranty Insurance	133,533.97	USD	Supplier
Ledesma SAAI	Guaranty Insurance	132,688.82	USD	Supplier
Ledesma SAAI	Guaranty Insurance	132,688.82	USD	Supplier
Ledesma SAAI	Guaranty Insurance	132,688.82	USD	Supplier
Ledesma SAAI	Guaranty Insurance	132,688.82	USD	Supplier
Iansagro S.A.	Deposit Certificate	4,735,875.00	ThCh$	Warrants
Iansagro S.A.	Deposit Certificate	3,788,700.00	ThCh$	Warrants
Iansagro S.A.	Deposit Certificate	2,841,525.00	ThCh$	Warrants
Soc. Las Ñipas	Policy	6,971.45	U.F.	Advertising Agreement

NOTE 37 - LOCAL AND FOREIGN CURRENCY

Assets at each year end were composed of local and foreign currencies as follows:

	Currency	March 31, 2006 Amount ThCh$	March 31, 2005 Amount ThCh$
Current Assets			
Cash	Non-Indexed Ch$	2,938,572	3,144,316
-	US$	6,492,203	8,040,636
-	AR$	1,609,976	2,857,744
-	R$	4,000,954	2,758,465
Time Deposits	AR$	0	149
-	R$	3,757,905	8,518,898
-	Non-Indexed Ch$	28,968,456	1,637,758
-	US$	22,152,086	46,202
	EURO	9,772,360	0
Marketeable Securities	Non-Indexed Ch$	10,689,473	1,476,138
-	US$	4,500,107	44,148,777
	R$	2,281,177	0
Trade accounts receivable	Non-Indexed Ch$	12,190,028	14,545,621
-	US$	746,067	8,639
-	AR$	1,219,727	3,205,803
-	R$	8,075,199	7,338,375
Notes receivable	Non-Indexed Ch$	4,986,497	5,223,415
-	AR$	308,887	356,443
-	R$	1,907,376	1,391,539
Other receivables	Non-Indexed Ch$	2,246,067	12,337,218
-	US$	9,984,489	573,185
-	AR$	614,756	1,098,520
-	R$	6,711,717	4,809,124
Notes receivable from related companies	AR$	0	291,810
-	Non-Indexed Ch$	1,240,695	0
-	R$	313,068	0
Inventories	Non-Indexed Ch$	1,879,436	4,581,215
-	Indexed Ch$	2,913,785	0
-	US$	2,128,640	333,743
-	AR$	3,063,487	10,933,970
-	R$	7,594,818	6,002,905
Recoverable Taxes	Non-Indexed Ch$	353,562	619,283
-	AR$	1,231,438	1,233,199
-	R$	5,642,166	5,608,633
-	US$	733,182	0
Prepaid Expenses	Non-Indexed Ch$	1,629,345	1,744,557
-	US$	122,420	200,768
-	AR$	189,247	49,109
-	R$	252,123	315,701
Other Current Assets	Non-Indexed Ch$	1,407,552	1,667,590
-	US$	3,112,223	5,495,549
-	AR$	1,756,586	1,275,979
-	R$	1,724,353	1,008,791
-	Indexed Ch$	1,145,902	0
Property Plant and Equipment			
Property Plant and Equipment	Non-Indexed Ch$	62,405,091	67,981,723
-	US$	77,302,185	89,083,053
Other Assets			
Investment in related companies	Indexed Ch$	18,073,747	18,306,012
-	US$	1,158,948	888,816
-	R$	1,413,713	1,248,490
Investment in other companies	US$	13,225	56,886
-	Non-Indexed Ch$	41,564	0
Goodwill	Non-Indexed Ch$	627,808	740,333
-	US$	71,279,141	89,009,884
Long term debtors	AR$	29,840	54,372
-	Indexed Ch$	59,966	0
Notes receivable related companies	Indexed Ch$	33,915	35,032
INTANGIBLES	US$	419,979	486,844
AMORTIZACION	US$	(243,196)	(258,338)
Others	Non-Indexed Ch$	4,863,072	4,879,680
-	US$	86,066,252	145,292,411
-	AR$	2,496,952	0
-	R$	31,595,620	18,425,857
-	Indexed Ch$	51,995	0
-	EURO		12,119,841
Deferred Taxes	AR$	346,855	38,845
Total Assets			
	Non-Indexed Ch$	136,467,218	120,578,847
	US$	285,967,951	383,407,055
	AR$	12,867,751	21,395,943
	R$	75,270,189	57,426,778
	Euro	9,772,360	12,119,841
	Indexed Ch$	22,279,310	18,341,044

b. Current liabilities at year end denominated in local and foreign currencies were as follows:

		Upto 90 Days				From 90 Days up to 1 year			
		March 31, 2006		March 31, 2005		March 31, 2006		March 31, 2005	
	Currency	Amount	Int. Rate	Amount	Int. Rate	Amount	Int. Rate	Amount	Int. Rate
Short term bank liabilities	Non-indexed Ch$	5,866,771	7.00%	6,311,292	3.36%	0		0	
-	US$	-		0		21,914,603	6.51%	0	
-	AR$	-		0		0		6,379,467	8.90%
-	R$	977,381		0		0		0	
Current portion of long term bank liabilities	Non-indexed Ch$	-		0		0		0	
-	Indexed Ch$	-		0		0		0	
-	US$	-		0		0		2,011,004	6.50%
-	R$	-		0		494,720	12.49%	787,909	13.51%
Current portion of bonds payable	Indexed Ch$	11,868,979	7.00%	18,010,043	6.40%	5,912,168		0	
-	US$	-		777,789	7.10%	0		0	
Dividends payable	Non-indexed Ch$	215,565		282,068		0		0	
Accounts payable	Non-indexed Ch$	17,947,785		17,533,747		0		0	
-	US$	660,110		1,787,472		0		0	
-	AR$	6,177,831		5,977,089		0		11,733	
-	R$	10,574,144		7,860,387		0		149,279	
-	Other Currencies	14,799		248		0		0	
Other creditors	US$	-		372,068		0		0	
-	AR$	53,149		56,548		46,634		30,618	
-	R$	3,330,088		2,845,820		0		0	
Notes and accounts payable related companies	Non-indexed Ch$	4,935,555		5,135,988		0		0	
-	US$	142,467		1,260,411		0		0	
-	AR$	-		0		0		0	
-	R$	1,169,664		0		0		0	
Provisions	Non-indexed Ch$	504,059		388,710		0		0	
-	Indexed Ch$	-		0		0		0	
-	AR$	-		168		0		0	
Withholdings	Non-indexed Ch$	5,071,416		5,840,897		0		0	
-	US$	-		178,438		0		0	
-	AR$	3,025,049		2,753,681		0		0	
-	R$	-		0		3,540,849		2,462,566	
	Other Currencies	79,818		0		0		0	
Income Tax	Non-indexed Ch$	2,619,071		3,993,641		0		0	
-	AR$	-		0		203,252		0	
-	R$	-		0		1,533,990		638,864	
Unearned Income	Non-indexed Ch$	493,896		9,007		0		0	
-	US$	-		2,082,000		0		0	
Deferred Taxes	AR$	-		0		114,553		84,059	
	Non-indexed Ch$	494,846		0		0		0	
Other current liabilities	Non-indexed Ch$	3,193,126		2,574,637		0		0	
		-							
Total Current Liabilities	Non-indexed Ch$	41,342,090		42,069,987		0		0	
	US$	802,577		6,458,178		21,914,603		2,011,004	
	AR$	9,256,029		8,787,486		364,439		6,505,877	
	R$	16,051,277		10,706,207		5,569,559		4,038,618	
	Indexed Ch$	11,868,979		18,010,043		5,912,168		0	
	Other Currencies	94,617		248		0		0	

c.1) Long - term liabilities at March 31, 2006 were composed of local and foreign currencies as follows:

	Currency	1 to 3 years		3 to 5 years		5 to 10 years		Over 10 years	
		Amount ThCh$	Average int rate	Amount ThCh$	Average int rate	Amount ThCh$	Average int rate	Amount ThCh$	Average int rate
Long Term Bank Liabilities	$R	394,962	12.49%	0		0		0	
Bonds payable	US$	16,877,750	7.0%	0		0		2,104,720	
-	Indexed Ch$	13,795,075	6.2%	5,848,936	6.5%	19,496,453	6.5%	40,942,552	6.5%
Other Creditors	$AR	101,097		0		0		0	
	$R	0		75,325		0		0	
Notes and Accopunts Receivable Related Companies	Non-Indexed Ch$	3,737,364		0		0		0	
Provisions	Indexed Ch$	0		0		0		5,020,696	
-	Non-Indexed Ch$	46,656		0		0		0	
-	$AR	1,732,534		0		0		0	
-	$R	17,041,869		0		0		0	
Other Liabilitities	Non-Indexed Ch$	0		4,580,594		0		0	
	$AR	0		203,665		1,832,988		0	
	$R	2,008,708		0		0		0	
Total Long Term Liabilities									
	$R	19,445,539		75,325		0		0	
	US$	16,877,750		0		0		2,104,720	
	Indexed Ch$	13,795,075		5,848,936		19,496,453		40,942,552	
	$AR	1,833,631		203,665		1,832,988		0	
	Non-Indexed Ch$	3,784,020		4,580,594		0		0	
	Indexed Ch$	0		0		0		5,020,696	

c.2) Long - term liabilities at March 31, 2005 were composed of local and foreign currencies as follows:

	Currency	1 to 3 years		3 to 5 years		5 to 10 years		Over 10 years	
		Amount ThCh$	Average int rate	Amount ThCh$	Average int rate	Amount ThCh$	Average int rate	Amount ThCh$	Average int rate
Long term bank liabilities	US$	48,796,250	6.51%	0		0		0	
-	R$	884,774	13.52%	0		0		0	
Bonds payable	UF	19,694,325	6.20%	5,908,296	6.20%	21,432,057	6.50%	44,812,483	6.50%
-	US$	19,564,857	7.00%	0		0		2,439,813	7.63%
Other creditors	AR$	77,128		0		0		0	
-	R$	0		71,514		35,757		0	
Provisions	Non-Indexed Ch$	519,284		0		0		44,627	
-	AR$	3,310,267		0		0		0	
-	R$	0		11,879,992		0		4,576,698	
Other Liabilities	Non-Indexed Ch$	0		0		4,327,441		0	
-	AR$	0		200,280		1,802,519		0	
-	R$	1,122,811		0		0		0	
Total Long Term Liabilities	US$	68,361,107		0		0		2,439,813	
	R$	2,007,585		11,951,506		35,757		4,576,698	
	UF	19,694,325		5,908,296		21,432,057		44,812,483	
	AR$	3,387,395		200,280		1,802,519		0	
	Non-Indexed Ch$	519,284		0		4,327,441		44,627	

NOTE 38 - PENALTIES

The Company has not been subject to penalties by the SVS or any other administrative authority.

NOTE 39 - SUBSEQUENT EVENTS

At the Regular General Shareholders Meeting of Embotelladora Andina S.A., held yesterday, April 19, 2006 (hereinafter the “Meeting”), among other matters, the following was resolved:

1. The distribution of the following amounts as Final Dividend N° 150, on account of the fiscal year ending December 31, 2005: (a) Ch$6.48 (six pesos and forty-eight cents) per Series A share; and b) Ch$7.128 (seven pesos and one hundred and twenty eight cents) per Series B share. This dividend will be available to shareholders beginning April 27, 2006. Regarding payment of this dividend, the Shareholders Registry will close on April 21, 2006.

2. The distribution of an additional Dividend N° 151 on account of retained earnings: (a)Ch$70.00 (seventy pesos) per Series A share; and (b)Ch$77.00 (seventy seven pesos) per Series B share. This dividend will be available to shareholders beginning June 1, 2006. Regarding payment of this dividend, the Shareholders Registry will close on May 26, 2006.

3. The Meeting elected a new company board of directors in separate voting by each series of shares, as follows :

Regular	Alternate
Juan Claro González	Ernesto Bertelsen Repetto
José Antonio Garcés Silva (junior)	Patricio Parodi Gil
James Robert Quincey Blakstad	Jorge Hurtado Garretón
Arturo Majlis Albalá	José Miguel Barros Van Hövell tot Westerflier
Gonzalo Said Handal	José Maria Eyzaguirre Baeza
Salvador Said Somavía	José Domingo Eluchans Urenda
Heriberto Urzúa Sánchez	Pedro Arturo Vicente Molina

For purposes of Article 50-bis, subparagraph 6 of the Chilean Corporation Law, is it stipulated that Mr. Heriberto Urzua Sancheza and his alternate, Mr. Pedro Arturo Vicente Molina, were elected by the Chilean Pension Funds and thus, fulfill the definition of “independent” from the Controlling Shareholder of the Company for Chilean legal purposes.

Appointments of the Board of Directors

The following resolutions were adopted at a regular Board Meeting held April 25, 2006:

1. Juan Claro Gonzalez was appointed Chairman of the Board of the Company and Jose Antonio Garces Silva Vice-Chairman.

2. The Executive Committee was elected, comprised of regular directors Jose Antonio Garces Silva, Arturo Majlis Albala, Gonzalo Said Handal and Salvador Said Somavia.

In addition, the Chairman of the Board, Juan Claro Gonzalez, and the Chief Executive Officer of the Company, Jaime Garcia Rioseco, are members of this Committee by virtue of their office.

3. Also elected was the Director’s Committee in accordance with Article 50-bis of Chilean Corporate Law, comprised of the regular directors Juan Claro Gonzalez, Jose Antonio Garces Silva and Heriberto Urzua Sanchez. If any of them should be unable to attend, they can be replaced by their respective alternates director. Mr. Heriberto Urzua Sanchez is considered an independent director under Chilean law. It was resolved that Mr. Juan Claro Gonzalez will be the Chairman of this Committee.

4. Juan Claro Gonzalez, Jose Antonio Garces Silva and Heriberto Urzua Sanchez were appointed members of the U.S. Sarbanes-Oxley Audit Committee.

At a Committee meeting held April 25, 2006, it was decided that Mr. Juan Claro Gonzalez also be Chairman of this Audit Committee. Juan Claro Gonzalez and Heriberto Urzua Sanchez are considered independent directors under U.S. law and have voting rights in this Committee.

5. Mr. Pedro Pellegrini Ripamonti, Corporate Legal Manager, was appointed representative or authorized person to receive notifications in absence of Mr. Renato Ramirez Fernandez, General Manager.

No other significant events of a financial or any other nature have occurred between March 31, 2006 and the issuance date of these financial statements that affect or may affect the assets, liabilities and/or income of the Company.

NOTE 40 - COMPANIES SUBJECT TO SPECIAL REGULATIONS

Andina and its subsidiaries are not subject to special regulations.

NOTE 41 – ENVIRONMENT

The Company has disbursed ThCh$255,241 to improve its industrial process, industrial waste metering equipment, laboratory analyses, environmental impact consultancy and other studies. Future commitments, which are all short-term and for the same concepts, amount to ThCh$553,438.

I. ANALYSIS OF THE FINANCIAL RESULTS FOR THE FIRST QUARTER ENDED MARCH 31, 2006.

Highlights

Consolidated Operating income reached US$46.2 million during the first quarter of 2006, a strong 15% gowth compared to the first quarter of 2005. Operating margin was 17.5%.

Consolidated sales volume grew 6% during the quarter, reaching 107.3 million unit cases.

During this quarter consolidated EBITDA totaled US$60.3 million, representing an increase of 9 % compared to the first quarter of 2005. EBITDA margin was 22.7%.

Net Income for the period reached US$40 million, which is 42.7% higher than the first quarter of 2005.

Comments from the Chief Executive Officer, Mr. Jaime Garcia R.

“We began 2006 with very good results. This has been a consequence of hard work performed in the three countries, where we continue facing different scenarios, but obtaining the best of each one.”

CONSOLIDATED SUMMARY

1st Quarter 2006 vs. First Quarter 2005

We achieved good results during the first quarter of 2006, with volume growth, cost control and positive macroeconomic environments. In this last subject, the 9.3% average appreciation of the Chilean peso and the 17.3% of the Brazilian real, had a positive impact over our dollar-denominated costs and have compensated the sugar price increases. On the other hand, the Argentine peso recorded a 3.8% average depreciation.

Consolidated sales volume for the first quarter of 2006 reached 107.3 million unit cases, which represents an increase of 6%. As for the same period of 2005, our three franchises contributed to this growth through different rates: Chile 4%; Brazil 11.6% and Argentina 0.9%.

As a result of higher volumes, price adjustments, and favorable exchange rates upon figures translation, Net Sales amounted to US$264.9 million, representing a 6.7% improvement regarding the first three months of 2005.

Cost of Sales per unit case decreased 2.9%, mainly due to effective negotiations and the reevaluation of the Chilean peso and the Brazilian real.

SG&A´s increased 10.9% as a result of higher volumes and increased freight fees due to increasing oil prices.

Consolidated Operating Income amounted to US$46.2 million, a 15% increase compared to the US$40.2 million of the same period of 2005. Operating margin was 17.5%, an increase of 125 basis points.

Finally, consolidated EBITDA amounted to US$60.3 million, a 9% improvement compared to the same period of the previous year. EBITDA margin was 22.7%, an increase of 47 basis points.

Chilean Operations

1st Quarter 2006 vs. First Quarter 2005

During the first quarter of the year 2006, Sales Volume amounted to 36.9 million unit cases reflecting a 4% growth. Soft drinks increased 1.5%, Juices 6% and Waters 25.7%. Our product Dasani, launched during the second haft of 2005, significantly contributed to the increase experienced in the waters segment. During this first quarter we have launched several products aimed towards strengthening categories with strong growth potential, such as: the Light segment: by launching Quatro Light, the waters category: Tangerine flavored Dasani, sport drinks: Powerade, and juices: Tutti-Fruti flavored Andina Nectar and Andina Juice with calcium and vitamin D.

Net sales amounted to US$110.1 million, which is a 1.4% growth. This increase resulted from higher volumes partially offset by a negative product mix impact over juices and waters income per unit case, subsequently compensated at the operating level (as a result of the organizational structure of Vital S.A. and VASA).

Cost of Sales per unit case decreased 1.9%. This lower cost is basically explained by: (1) the appreciation of the Chilean exchange rate, that during the period recorded an average increase of 9.3%, resulting in a positive impact over our dollar denominated costs, and (2) anticipated sugar purchases, which allowed us to compensate it's price increase.

Operating income amounted to US$25.2 million, a decrease of 0.6% regarding the previous year. Operating margin was 22.9%.

EBITDA amounted to US$ 31.6 million; this is 0.7% lower than the US$ 31.8 million recorded the previous year.

Brazilian Operations

1st Quarter 2006 vs. First Quarter 2005

Sales volume for the first quarter of 2006 amounted to 42.3 million unit cases, representing an 11.6% increase regarding the first three months of the year 2005. To this improvement contributed the Light category (+15 %).

Net sales reached US$102.8 million, representing a 23.8% increase, a 10.9% increase in terms of unit case. This growth is explained by price adjustments performed during February, and by the exchange rates that benefited the translations of our results from local currency to Chilean pesos.

Cost of Sales per unit case recorded a 3% growth, explained by the effect on figures conversion (which negatively affects our costs), because in local currency cost of sales per unit case experienced a slight decrease even though we observed price increases on certain raw materials, which was offset by the 17.3% average strengthen of the Brazilian real during the period.

Operating Income reached US$16.1 million, which is an improvement of 83.1% and Operating Margin was 15.7%, an improvement of 509 basis points.

Finally, EBITDA amounted to US$20.6 million, a 48.8% improvement compared to the US$13.8 million of the first quarter of 2005. EBITDA Margin was 20%, an increase of 336 basis points regarding the previous period.

Argentine Operations

1st Quarter 2006 vs. First Quarter 2005

Sales Volume for the quarter reached 28.1 million unit cases, a slight improvement from 2005 (+0.9%). It is important to mention that as in Chile, we launched Dasani in Argentina during the quarter, searching for higher variety of offerings in growing segments.

Net Sales reached US$54.4 million, representing a decrease of 7% regarding the US$58.5 million of the first quarter of 2005. The drop in net sales is explained by the effect in figures translation of the weakness of the argentine peso (3.8% average for the period), and the appreciation of the Chilean peso (-10.2% end of period). This was compensated by a 6% increase in net sales per unit case in nominal local currency.

Cost of sales per unit case decreased 11.5%, mainly explained by the fluctuations of the exchange rates upon figures translation.

Operating Income amounted to US$ 7.1 million, an 11.4% decrease. This was consequence of SG&A´s increase, resulting from higher labor, freight and advertising costs. Operating Margin was 13.1%.

EBITDA reached US$10.4 million, a decrease of 11.1%. EBITDA margin amounted to 19.1%.

NON-OPERATING RESULTS

1st Quarter 2006 vs. First Quarter 2005

Non-operating Results totaled a loss of (US$0.2) million, which compares favorably to an accumulated loss of (US$8.3) million recorded for the same period of the previous year.

This loss reduction in the Non Operating Result line is explained by:

Financial Expense/Income (Net): Reflecting a positive variation due to a lower strengthen of the Chilean exchange rate for the December 2005-March 2006 period, when compared to the December 2004–March 2005 period, that led to a lower impact over Cross Currency Swap Agreements.
Other Non Operating Income/(Expense): Reflecting a positive variation as a result of lower expenses regarding severance indemnities and a provision to adjust to market value a Company’s Real estate available for sale during 2005.

Finally Net Income amounted to US$40.0 million, an increase of 42.7% compared to the Net Income recorded during the first quarter of 2005.

ANALYSIS OF THE BALANCE SHEET

As of March 31, 2006, the Company’s financial assets amounted to US$ 404.1 million. These represent cash, investments in mutual funds, deposits, structured notes, corporate bonds and sovereign bonds. 82.6% of the total financial investments are U.S. dollar-denominated. Nevertheless, through “Cross-Currency Swaps” agreements executed in July and August 2003 and April 2004, part of the portfolio has been converted to Chilean pesos (UF – Chilean Inflation Indexed Currency), thereby decreasing the amount denominated in US dollars to 25.6%.

On the other hand, the Company’s total debt was US$ 278.4 million, with an average annual rate of 6.77% on U.S. dollar debt, and an average real annual rate of 6.40% on Chilean peso-denominated debt. The U.S. dollar-denominated debt represents 27.6% of total debt.

Thus, the Company holds a positive net cash position of US$ 125.7 million.

Main Indicators

Main Indicators

INDICATORS	Unit	Mar-06	Dic-05	Mar-05	Variance
LIQUIDITY					
Current Ratio	Times	1.63	1.30	1.67	-0.04
Acid Tests	Times	1.48	1.16	1.45	0.02
Working Capital	MCh$	45,748	36,022	38,194	7,554
ACTIVITY					
Investments	MCh$	7,190	27,369	6,710	480
Inventory turnover	Times	4.69	14.78	3.68	1.01
Days of inventory on hand	Days	76.79	24.36	97.82	-21.03
INDEBTEDNESS					
Debt to equity ratio	%	85.57%	95.97%	89.76%	-4.19%
Short-term liabilities to total liabilities	%	45.45%	48.64%	33.99%	11.47%
Long-term liabilities to total liabilities	%	54.55%	51.36%	66.01%	-11.47%
Interest charges coverage ratio	Times	15.70	18.68	15.83	-0.13
PROFITABILITY					
Return over equity	%	7.51%	19.67%	4.73%	2.78%
Return over total assets	%	3.94%	9.95%	2.43%	1.51%
Return over operating assets	%	8.36%	21.25%	5.22%	3.13%
Operating income	MCh$	24,330	77,674	21,164	3,166
Operating margin	%	17.45%	16.28%	16.21%	1.25%
EBITDA (1)	MCh$	34,825	103,185	27,668	7,157
EBITDA margin	%	24.98%	21.63%	21.19%	3.80%
Dividends payout ratio - Serie A shares	%	7.25%	7.76%	4.81%	2.44%
Dividends payout ratio - Serie B shares	%	7.55%	8.04%	4.97%	2.57%

EBITDA (1)	Earnings before income taxes, interests, depreciation, amortization and extraordinary items.

The main indicators contained in the table reflect for both periods the solid financial position and profitability of Embotelladora Andina S.A.

Liquidity indicators are in line regarding the previous period, reflecting a reclassification of certain financial instruments with maturity in less than a one year period (amounting to MUS$40).

Indicators of indebtedness improve mainly due to the prepayment of US$40 million carried out by our Argentine subsidiary of its external debt in December of 2005, and amortizations of the local bond for an approximate amount of MUS$23 carried out during June and December of the year 2005, and which are partially offset by a decrease in equity as a result of an extraordinary dividend payment carried out in May of 2005. Financial debt during the period amounted to Ch$1,647 million and earnings before interests and taxes amounted to Ch$25,856 million, achieving an interest coverage of 15.70 times, in line with the figure achieved during the previous period.

Operating profitability indicators benefited from the reasons mentioned in paragraph I. Profitability over equity basically benefited from the reasons stated in paragraph I along with the effect of the decrease in equity already explained.

III. Analysis of Book Values and Present Value of Assets

With respect to the Company's main assets the following should be noted:

Given the high rotation of the items that compose working capital, book values of current assets are considered to represent market values.

Fixed asset values in the Chilean companies are presented at restated acquisition cost. In the foreign companies, fixed assets are valued in accordance with Technical Bulletin N° 64 issued by the Chilean Institute of Accountants. (controlled in historical dollars)

Depreciation is estimated over the restated value of assets along with the remaining useful economic life of each asset.

All fixed assets that are considered available for sale are held at their respective market values.

Investments in shares, in situations where the Company has a significant influence on the issuing company, are presented following the equity method. The Company's participation in the results of the issuing company for each year has been recognized on an accrual basis, and unrealized results on transactions between related companies have been eliminated.

In summary, assets are valued in accordance with generally accepted accounting standards in Chile and the instructions provided by the Chilean Securities Commission, as shown in Note 2 of the Financial Statements.

IV. Analysis of the Main Components of Cash Flow

Cash Flow (MCH$)	March 2006 MCh$	March 2005 MCh$	Variation Ch$	Variation %
Operating	42,546	26,593	15,953	60%
Financing	(4,588)	(10,666)	6,078	57%
Investment	1,616	12,639	(11,023)	87%
Net cash flow for the Period	39,574	28,566	11,008	-39%

The Company generated a positive net cash flow of MCh$39,574 during the quarter, analyzed as follows:

Operating activities generated a positive net cash flow of MCh$42,546 representing a positive variation regarding the previous year which amounted to Ch$15,953 million. Principally explained by increased collections from clients, which were partially offset by increased payment of value added taxes.

Financing activities generated a negative cash flow of MCh$4,588 representing a positive variation of MCh$6,078 mainly explained by lower bank loan payments.

Investment activities generated a positive cash flow of MCh$1,616; with a negative variation of MCh$11,023 regarding the previous year, mainly explained by idecreased sales of investments in financial instruments, and partially offset by increased income from the sale of permanent investments.

V. Analysis of Market Risk

Interest Rate Risk

As of March 31, 2005 and 2006, the Company held 100% of its debt obligations at fixed-rates. Consequently, the risk fluctuation of market interest rates regarding the Company's cash flow remains low.

Foreign Currency Risk

Income generated by the Company is linked to the currencies of the markets in which it operates. For the period the breakdown for each is the following:

Chilean peso:	41%
Brazilian real:	39%
Argentine peso:	20%

Since the Company's sales are not linked to the United States dollar, the policy adopted for managing foreign exchange risk, this is the mismatch between assets and liabilities denominated in a given currency, has been to maintain financial investments in dollar-denominated instruments, for an amount at least equivalent to the dollar-denominated liabilities.

Additionally, it is Company policy to maintain foreign currency hedge agreements to lessen the effects of exchange risk in cash expenditures expressed in US dollars which mainly correspond to payment to suppliers for raw materials.

Accounting exposure of foreign subsidiaries (Brazil and Argentina) for the difference between monetary assets and liabilities, those denominated in local currency, and therefore, exposed to risks upon translation to the US dollar, are only covered when it is foreseen that it will result in significant negative differences and when the associated cost of said coverage is deemed reasonable by management.

Commodity Risks

The Company faces the risk of price changes in the international markets for sugar, aluminum and PET resin, all of which are necessary raw materials for preparing beverages, and that altogether represent between 25% and 30% of our operating costs. In order to minimize and/or stabilize such risk, supply contracts and advanced purchases are negotiated when market conditions are favorable. Likewise commodity coverage instruments have also been utilized.

This document may contain estimates that reflect a good faith expectation of Embotelladora Andina S.A. and are based on information currently available. It should be noted that the results finally obtained are subject to various variables, many of which are beyond the Company's control and which could have a significant impact on the current performance. Amongst the factors that may cause a change in the performance are: the effects of political and economic conditions on mass- consumption; price pressures resulting from competitive discounts by other bottlers; weather conditions in the Southern Cone and other risk factors that are applicable from time to time and that are periodically informed in the reports to the relevant regulatory authorities.

MATERIAL EVENTS

During the period January-April 2006 the following relevant events were recorded:

CONVENE REGULAR SHAREHOLDERS MEETING FOR THE YEAR 2006

The following was resolved, among other matters, at the re Board of Directors' Meeting of the Company held February 28, 2006:

I. To convene a Regular Shareholders Meeting for April 11, 2006, at 10:30 a.m., at the Company's offices located at Av. Carlos Valdovinos Nº560, Borough of San Joaquín.

II. The following matters will be discussed at the Regular Shareholders Meeting:

1. The Annual Report, Balance and Financial Statements for the year 2005; as well as the Report of Independent Auditors with respect to the Financial Statements;
2. Earnings distribution and dividend payments;
3. Present Company dividend distribution policy and inform about the distribution and payment procedures utilized;
4. Determine the compensation for directors and committee members pursuant to Law N° 19,705; and the Audit Committee establish by the Sarbanes Oxley Act.
5. Appoint the Company's independent auditors for the year 2006;
6. Appoint the Company's rating agencies;
7. Report on Board agreements which took place after that last Shareholders Meeting, relating to operations referred to by Article 44 of Law N° 18,046; and
8. In general, to resolve every other matter under its competency and any other matter of Company interest.

III Propose to the Meeting, the distribution of a definitive dividend, on account of the fiscal year ending December 31, 2005.

a) CH$6.48 (six pesos and 48/100) per Series A Shares and;
b) CH$7.128 (seven pesos and 128/100) per Series B Shares

CHANGE OF DATE OF THE REGULAR SHAREHOLDERS MEETING AND AGREEMENT ON PROPOSALS

The following was discussed at a special meeting of the Company's Board of Directors held March 14, 2006:

I. It was resolved to propose to the Shareholders Meeting the payment of an Additional Dividend on account of the Retained Earnings Fund, additional to the Final Dividend for the 2005 fiscal year (approved and disclosed last February), for the following amounts:

a) CH$70 (seventy pesos) per Series A share; and
b) CH$77 (seventy-seven pesos) per Series B share.

If approved by the Shareholders Meeting, this Additional Dividend would be paid starting May 30, 2006 and the Shareholders Registry would be closed May 24, 2006 for the determination of the recipients of payment.

II. The recent resignations of Glenn Jordan Schoenbohm and his alternate, Jorge Hurtado Garreton, from their seats in the board of the Company were reported. Accordingly, pursuant to article 32 of Law 18,046, it was decided that the Regular Shareholders Meeting of the Company this year (reported opportunely to the Superintendency) must elect a new Board of Directors. The election of the entire Board of Directors will therefore be added to the agenda for that Meeting.

III. In view of the foregoing resolutions, for the purpose of having sufficient time to disclose the foregoing to the market and give notice of the Regular Shareholders Meeting, it was finally resolved to postpone the Regular Shareholders Meeting (the "Meeting") from Tuesday, April 11, 2006 (already reported opportunely to the Superintendency) to Wednesday, April 19, 2006 at 10:30 a.m., at the Company's offices located at Av. Carlos Valdovinos 560, Borough of San Joaquin.

The agenda for the Meeting will therefore be the following:

1) The Annual Report, General Balance Sheet and Financial Statements for the 2005 fiscal year and the report by the external auditors on such Financial Statements;
2) The distribution of profits and payment of dividends;
3) An explanation of the Company's dividend policy and information on the procedures used in distributing and paying dividends;
4) The election of the entire Board of Directors in application of article 32 of the Companies Law;
5) The determination of the compensation for the members of Directors Committee, stablish by Law 19705 and members of the Audit Committee required by the Sarbanes-Oxley Act of the U.S.A.
6) The appointment of external auditors for the 2006 fiscal year;
7) The appointment of risk rating agencies;
8) A report on Board resolutions regarding transactions indicated in Article 44 of Law 18,046 since the last Shareholders Meeting; and
9) Generally, all other matters within the purview of this meeting and any other matter of corporate interest.

No other significant events of a financial or any other nature have occurred between March 31, 2006 and the issuance date of these financial statements that affect or may affect the assets, liabilities and/or income of the Company.