

MATERIAL EVENT

CORPORATE NAME : **EMBOTELLADORA ANDINA S.A.**  
SECURITIES REGISTRY : 00124  
TAXPAYER I.D. : 91.144.000-8

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The following Material Event is reported by virtue of the stipulations in Article 9 and subparagraph 2 of Article 10 of Law N° 18,045 and the provisions in Section II.1.B.3 of General Rule No. 30 and in Circular N° 660 of the Superintendence of Securities and Insurance:

The following was approved at the Regular Board of Directors' Meeting of Embotelladora Andina S.A. ("the Company"), held yesterday regarding the **Audit Committee that must be constituted before July 31, 2005, in accordance with the regulations** of the *New York Stock Exchange* ("NYSE") and the *Securities and Exchange Commission* ("SEC"); pursuant to the Sarbanes Oxley Act of 2002 ("SARBOX").

- a) Approval of the Charter of the Audit Committee to determine the composition, duties and operation of the mentioned committee; all such matters are within the attributions and authority of the Board of Directors as defined under article 40 of Law 18,046 (Chilean Corporation Law "CCL"). A copy of the Charter is attached hereto and will also be available on the Company's websites: [www.koandina.com](http://www.koandina.com) and [www.andina.cl](http://www.andina.cl).
- b) The Board of Directors resolved the appointment as members of the Audit Committee of the same members of the Company's "Directors' Committee" (provided by virtue Article 50 bis of the Chilean Corporation Law, "CCL"), namely, Messrs. **Juan Claro González, Albert Cussen Mackenna and Gonzalo Said Handal**. It was also resolved that Mr. Claro will act as Chairman of the Audit Committee.

It was also agreed, in order to assure compliance with the independence standards established by US regulations that Messrs. Juan Claro González and Albert Cussen Mackenna, having provided certain information to the Board of Directors, that these directors met the requisite independence criteria; and, consequently, and according to the Audit Committee Charter previously approved, assurance was also given that Messrs. Claro and Cussen will exclusive voting power in the Audit Committee, and that Mr. Gonzalo Said would be appointed exclusively as an observer without authority to vote on matters taken up by the Audit Committee.

This appointment does not, and is not intended to, modify the attributions and faculties of the members of the "Directors' Committee" constituted pursuant to Article 50 bis of CCL. For such effect, as a means to better coordinate the activities of both committees, it was also agreed to delegate to the Directors' Committee (until the next election of the Company's Board of Directors), pursuant to the attributions of N° 5 of Article 50 bis of the CCL, each of the attributions of the Audit Committee mentioned in the Charter, which are thereby one by one explicitly replicate.

- c) Mr. Albert Cussen Mackenna was appointed "*Financial Expert*" of the Committee pursuant to the definition contained under SARBOX, Section 407.

Santiago, July 27, 2005.

*(signed)*

FREE TRANSLATION

**Pedro Pellegrini Ripamonti**  
**Corporate Legal Officer**