

**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 Embotelladora Andina S.A. ("Andina" or the "Company") by virtue of the stipulations in Article 9 and subparagraph 2 of Article 10 of Law 18,045, and the provisions in Section II of General Rule No. 30 of the Superintendency of Securities and Insurance:

As announced in the material event dated August 20, 2007, *The Coca-Cola Company* (TCCC) informed us its intention to review the "*concentrate price*" in Chile. This price is a percentage rate applied on beverage sales revenues under the franchise agreement.

In this sense, we inform that TCCC has decided to increase the incidence rate and its calculation methodology, as of January 1, 2008 and until the year 2012, for the incremental sales recorded since the former date at a rate of 40%. These incremental sales will be measured as those sales in excess of those recorded during the previous year, expressed in inflation-indexed in Chilean pesos.

Thus, for the amount of total sales of Andina's Chilean franchise, up to the amount equivalent to the value of sales for the year 2007, the current concentrate rate will be applied without alterations.

Consequently, since this measure will be applied over the real sales growth, the effect will depend on the effective yearly growth rate. For example, if Andina's real sales in Chile grow at an annual growth rate of 5% during the 2008-2012 period, operating costs would increase at a rate of US\$4 million per year with respect to the current situation. Towards the end of 2012 we estimate that this incidence would be stabilized going forward.

Since this is a transaction among related parties, should the Company approve the transaction, and given the increase of annual costs, Embotelladora Andina S.A. will exercise all its efforts in order to compensate or diminish the effects over its results.

**Pedro Pellegrini Ripamonti**  
**Corporate Legal Manager**  
**Embotelladora Andina S.A.**

Santiago, November 6, 2007