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As filed with the Securities and Exchange Commission on April 30, 2012

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 20-F

☐ **REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended December 31, 2011

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

☐ **SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission file number 001-13142

Embotelladora Andina S.A.
(Exact name of Registrant as specified in its charter)

Andina Bottling Company
(Translation of the Registrant's name in English)

Republic of Chile
(Jurisdiction of incorporation or organization)

Avenida El Golf 40, Office 401
Las Condes - Santiago, Chile
(Address of principal executive offices)

Paula Vicuña, Tel. (56-2) 338-0520 E-mail: andina.ir@koandina.com
Avenida El Golf 40, 4th Floor, Las Condes - Santiago, Chile
(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Series A Shares, Series B Shares of Registrant represented by American Depositary Shares	New York Stock Exchange

Securities registered or to be registered pursuant to Section 12(g) of the Act:

None

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Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act

7.625% Notes due October 1, 2027

7.875% Notes due October 1, 2097

The number of outstanding shares of the issuer's stock as of December 31, 2011 was 760,274,542 as follows:

380,137,271 Series A Shares
380,137,271 Series B Shares

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

☒ Yes ☐ No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

☐ Yes ☒ No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

☐ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing

U.S. GAAP ☐ International Financial Reporting Standards as issued by the International Accounting Standards Board ☒ Other. ☐

If Other has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow

☐ Item 17 ☐ Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

☐ Yes ☒ No

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INTRODUCTION

References

Unless the context otherwise requires, as used in this annual report the following terms have the meanings set forth below:

- the "Company" and "we" means Andina and its consolidated subsidiaries;
- "Andina" means Embotelladora Andina S.A.;
- "Andina Brazil" means the Company's subsidiary, Rio de Janeiro Refrescos Ltda. and its subsidiaries;
- "AESA" means the Company's subsidiary, Andina Empaques Argentina S.A.
- "EDASA" means the Company's subsidiary, Embotelladora del Atlántico S.A.;
- "CMF" means the Company's affiliate, Envases CMF S.A.;
- "ECSA" means the Company's affiliate, Envases Central S.A.;
- "Vital Jugos" means the the Company's affiliate, Vital Jugos S.A., previously known as Vital S.A. ;
- "VASA" means the Company's affiliate, Vital Aguas S.A.;
- "TAR" means the Company's subsidiary, Transportes Andina Refrescos Ltda.
- "The Coca-Cola Company" or "TCCC" means The Coca-Cola Company or any of its subsidiaries, including without limitation Coca-Cola de Chile S.A. ("CC Chile"), which operates in Chile, Recofarma Industrias do Amazonas Ltda. ("CC Brazil"), which operates in Brazil and Servicios y Productos para Bebidas Refrescantes S.R.L. ("CC Argentina"), which operates in Argentina.
- the "Chilean territory" means the Metropolitan Region of Santiago and the neighboring provinces of Cachapoal and San Antonio;
- the "Brazilian territory" means the majority of the State of Rio de Janeiro, and the totality of the State of Espírito Santo; and
- the "Argentine territory" means the provinces of Córdoba, Mendoza, San Juan, San Luis, Entre Rios, Buenos Aires (only San Nicolás and Ramallo) and most of Santa Fe.

PRESENTATION OF FINANCIAL AND CERTAIN OTHER INFORMATION

Unless otherwise specified, references herein to "dollars," "U.S. dollars" or "US$" are to United States dollars; references to "pesos," "Chilean pesos", "Ch$" or "ThCh$" are to Chilean pesos; references to "UF" are to Unidades de Fomento, a daily indexed Chilean peso-denominated monetary unit that takes into account the effect of the Chilean inflation rate during the previous month; references to "Argentine pesos" or "AR$" are to Argentine pesos; and references to "real" or "reais" or "R$" are to Brazilian reais. Certain percentages and amounts contained in this annual report have been rounded for ease of presentation.

For the convenience of the reader, this annual report contains translations of certain Chilean peso amounts into U.S. dollars at specified rates. Unless otherwise indicated, U.S. dollar equivalent information for amounts in Chilean pesos is based on the Observed Exchange Rate (as defined under "Item 3. Key Information—Exchange Rates") reported by the Banco Central de Chile (the Central Bank of Chile), which we refer to as the "Central Bank." The Federal Reserve Bank of New York does not report a noon buying rate in New York City for Chilean pesos. No representation is made that the peso or U.S. dollar figures presented in this annual report could have been or could be converted into U.S. dollars or pesos, as the case may be, at any particular rate or at all.

On August 28, 2007 the Chilean Superintendence of Insurance and Securities announced the adoption of the International Financial Reporting Standards ("IFRS")in Chile which became mandatory for companies of a certain size beginning 2009 and 2010. The Company decided to adopt the IFRS as issued by the International Accounting Standards Board ("IASB") as its accounting and reporting rules beginning January 1, 2010. Additionally the period between January 1 and December 31, 2009 constituted the transition period towards IFRS and the Financial Statements of the year 2010 were presented comparatively with 2009.

Forward-looking information

This annual report contains or incorporates by reference statements that constitute "forward-looking statements," in that they include statements regarding the intent, belief or current expectations of our directors and officers with respect to our future operating performance. Such statements include any forecasts, projections and descriptions of anticipated cost savings or other synergies. Words such as "anticipate," "expect," "intend," "plan," "believe," "seek," "estimate," variations of such words, and similar expressions are intended to identify such forward-looking statements. You should be aware that

any such forward-looking statements are not guarantees of future performance and may involve risks and uncertainties, and that actual results may differ from those set forth in the forward-looking statements as a result of various factors (including, without limitations, the actions of competitors, future global economic conditions, market conditions, foreign exchange rates, and operating and financial risks related to managing growth and integrating acquired businesses), many of which are beyond our control. The occurrence of any such factors not currently expected by us would significantly alter the results set forth in these statements. You should not place undue reliance on such statements, which speak only as of the date that they were made. Our independent auditors have not examined or compiled the forward-looking statements and, accordingly, do not provide any assurance with respect to such statements. These cautionary statements should be considered in connection with any written or oral forward-looking statements that we might issue in the future. We do not undertake any obligation to release publicly any revisions to such forward-looking statements after filing of this annual report to reflect later events or circumstances or to reflect the occurrence of unanticipated events.

Market Data

We have computed the information contained in this annual report regarding annual volume and per capita growth rates and levels, and market share, product segment, and population data in bottling and franchise territories, and it is based upon statistics accumulated and certain assumptions we have made. Additional data was obtained from third parties. Market share information presented with respect to soft drinks, juices, waters and beer is based on data supplied by A.C. Nielsen Company ("A.C. Nielsen") and is believed to be accurate although no assurances to that effect can be given. Certain market data herein (including percentage amounts) may not sum due to rounding.

PART I

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not Applicable

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not Applicable

ITEM 3. KEY INFORMATION

A. Selected Financial Data

The following table presents our selected consolidated and other financial and operating information at the dates and for the periods indicated. The selected financial information at December 31, 2011, 2010 and 2009, and for each of the three years ended December 31, 2011 has been derived from, should be read in conjunction with, and is qualified in its entirety by reference to our Consolidated Financial Statements, included in Item 18 of this annual report, that we refer to in this annual report as the "Consolidated Financial Statements ." Our Consolidated Financial Statements are prepared in accordance with IFRS. The Securities and Exchange Commission (SEC) eliminated the requirement of preparing reconciliation between IFRS and U.S. GAAP for foreign listed companies that use IFRS as issued by the IASB.

Our consolidated financial results include the results of our subsidiaries located in Chile, Brazil and Argentina. Our subsidiaries outside Chile prepare their financial statements in accordance with IFRS and to comply with local regulations in accordance with generally accepted accounting principles of the country in which they operate. The Consolidated Financial Statements reflect the results of the subsidiaries outside of Chile, translated to Chilean pesos (functional and reporting currency of the parent company) and are presented in accordance with IFRS. The International Financial Reporting Standards requires assets and liabilities to be translated from the functional currency of each entity to the reporting currency (Chilean peso) at end of period exchange rates and income and expense accounts to be translated at the average monthly exchange rate for the month in which income or expense is recognized. Unless otherwise specified, our financial data is presented herein in nominal Chilean pesos and U.S. dollars.

The following table presents our selected consolidated financial information. This information should be read in conjunction with, and is qualified in its entirety by reference to, our Consolidated Financial Statements, including the notes

thereto in Item 18. The selected financial information contained herein is presented on a consolidated basis, and is not necessarily indicative of our financial position or results of operations at or for any future date or period.

	For the period ended December 31,			
	2011	2011	2010	2009
	(in million nominal Chilean pesos and million US$, with the exception of those related to debt, shares and sales volume)			
	MUS$	MCh$	MCh$	MCh$
Income Statement Data				
IFRS :				
Net Sales	1,893	982,864	888,714	785,845
Cost of sales	(1,114)	(578,581)	(506,882)	(455,300)
Administrative, distribution and selling expenses	(504)	(261,859)	(232,598)	(197,422)
Operating Income	274	142,424	149,234	133,123
Other (expense) income , net *[financial results, exchange differences and share in equity investees]*	(21)	(10,712)	(9,294)	(5,972)
Income taxes	(67)	(34,685)	(36,340)	(29,166)
Net Income	187	97,027	103,600	97,985
Basic and diluted earnings per share				
Series A	0.23	121.54	129.78	122.75
Series B	0.26	133.69	142.75	135.02
Basic and diluted earnings per ADR(3)				
Series A	1.40	729.24	778.68	736.50
Series B	1.54	802.14	856.50	810.12
Capital Stock				
Series A		380,137,271	380,137,271	380,137,271
Series B		380,137,271	380,137,271	380,137,271
Issued Capital	444.71	230,892	230,892	230,892
Total dividends declared				
Series A	65	33,809	33,148	29,700
Series B	72	37,190	36,463	32,670
Balance Sheet Data				
IFRS:				
Total assets	1,429	741,959	688,314	642,692
Current debt that accrues interest(1)	23	12,117	11,996	5,800
Non-current debt that accrues interest	144	74,641	70,449	73,150
Controlling and non-controlling shareholders' equity	812.7	421,979	394,865	373,558
Other Financial Information				
IFRS				
Cash flows from operating activities	268	138,950	125,848	131,126
Cash flows from investing activities	(173)	(89,621)	(80,504)	(84,318)
Cash flows from financing activities	(129)	(67,159)	(62,548)	(67,756)
Depreciation and amortizations	76	39,498	37,015	36,807
Capital expenditures	244	126,931	95,462	49,483
Ratio of total debt to total capitalization(2)	0.21	0.21	0.21	0.21
Other Operating Data				
Sales Volume				
Coca-Cola Soft Drinks (million UCs)(5)	447.9	447.9	438.0	419.6
Other beverages (million UCs) (4)(5)(6)	53.3	53.3	51.2	39.0

(1) Includes interest bearing liabilities including current bank liabilities, bonds payable discounting issuance expenses and initial discounts that are recognized forming part of the liability and other financial liabilities that accrue short term bank interests and the portion of long—term bank liabilities and bonds payable within 12 months.

(2) Total debt is calculated as the sum of current and non-current financial interest bearing debt. Total capitalization is calculated as the sum of total financial debt, non-controlling interest and shareholders' equity attributable to the controlling shareholder. Shareholders' equity has been determined under IFRS.

(3) Each ADR represents six shares of common stock.

(4) Includes waters and juices (in Chile and Argentina) and beer, waters and juices (in Brazil).

(5) Unit cases ("UCs") refer to 192 ounces of finished beverage product (24 eight-ounce servings) or 5.69 liters.

(6) Volume of waters and juices in Chile includes total sales volume of Vital Jugos and water sales volume sold by Embotelladora Andina.

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Exchange Rates

The following table sets forth the annual low, high, average and period-end Observed Exchange Rate for U.S. dollars for each year beginning in 2007 and for each month during the six months immediately preceding the month of this annual report, as reported by the Central Bank.

	Daily Observed Exchange Rate Ch$ per US$(1)			
Year	**Low(2)**	**High(2)**	**Average(3)**	**Period End**
2007	439.14	548.67	522.55	496.89
2008	431.22	676.75	522.35	636.45
2009	491.09	643.87	559.67	507.10
2010	468.01	549.17	510.22	468.01
2011	455.91	533.74	483.90	519.20
Month				
September 2011	460.34	521.85	486.48	521.76
October 2011	490.29	533.74	510.67	490.29
November 2011	494.08	526.83	509.73	517.37
December 2011	508.67	522.62	517.26	519.20
January 2012	485.35	518.20	499.96	488.75
February 2012	475.29	487.73	480.89	476.27
March 2012	480.62	491.57	485.90	487.44

Source: Chilean Central Bank.

(1) Nominal Figures.

(2) Exchange rates are the actual low and high, on a day-by-day basis for each period.

(3) With respect to annual periods, the average of the exchange rates on the last day of each month during the year and, with respect to monthly periods, the actual daily exchange rates.

The Observed Exchange Rate on April 26, 2011 was Ch$484.88 per US$1.00.

B. Capitalization and Indebtedness

Not applicable.

C. Reasons for the offer and use of proceeds

Not applicable.

D. Risk Factors

The Company is subject to various economic, political, social and competitive conditions. Any of the following risks, if they materialize, could materially and adversely affect our business, results of operations, prospects and financial condition.

Risks Related to our Company

We rely heavily on our relationship with The Coca-Cola Company ("TCCC") which has substantial influence over our business and operations

Approximately 84% of our net sales in 2011 were derived from the distribution of Coca-Cola soft drinks and 13% from the distribution of other beverages bearing trademarks owned by TCCC. We produce, market and distribute Coca-Cola

products through standard bottler agreements between our bottler subsidiaries and, in each case, the local subsidiary of TCCC or, in the case of fruit juices and nectars, The Minute Maid Company, a subsidiary of TCCC. TCCC has the ability to exercise substantial influence over our business through its rights under the Bottler Agreements. See “Item 7. Major Shareholders and Related Party Transactions—Bottler Agreements.” Under the Bottler Agreements, TCCC unilaterally sets the prices for Coca-Cola soft drink concentrates and Coca-Cola beverages (in the case of soft drinks pre-mixed by TCCC) sold to us. TCCC also monitors pricing changes we institute and has the right to review and approve our marketing, operational and advertising plans. These factors may impact our profit margins which could adversely affect our net income and results of operations. Our marketing campaigns for all Coca-Cola products are designed and controlled by TCCC. Pursuant to the Bottler Agreements, we are required to submit a business plan to TCCC for prior approval on a yearly basis. In accordance with the Bottler Agreements, TCCC may, among other things, require that we demonstrate financial ability to meet our business plan and if we are not able to demonstrate our financial capacity TCCC may terminate our rights to produce, market and distribute Coca-Cola soft drinks or other Coca-Cola beverages in territories where we have such approval. Under the Bottler Agreements, we are prohibited from producing, bottling, distributing or selling any products that could be substituted for, be confused with or be considered an imitation of, Coca-Cola soft drinks or other Coca-Cola beverages and products.

We depend on TCCC to renew the Bottler Agreements which are subject to termination by TCCC in the event we default or upon expiration of their respective terms. We cannot assure you that the Bottler Agreements will be renewed or extended upon their expiration, and even if they are renewed, we cannot be certain that renewal will be granted on the same terms as those currently in effect. Termination, non-extension or non-renewal of any of the Bottler Agreements would have a material adverse effect on our business, financial condition and results of operation.

In addition, any acquisition we make of bottlers of Coca-Cola products in other countries may require, among other things, the consent of TCCC under bottler agreements to which such other bottlers are subject. We cannot assure you that TCCC will consent to any future geographic expansion of our Coca-Cola beverage business. In addition, we cannot assure you that our relationship with TCCC will not undergo significant changes in the future. If such changes do occur, our operations, and financial results and condition could be materially affected.

Our business is highly competitive and subject to price competition which may adversely affect our net profits and margins

The soft drink and non-alcoholic beverage businesses are highly competitive in each of our Company’s franchise territories. In our franchise territories we compete with bottlers of regional brands, including low cost “B brand” beverages and Pepsi products. In Argentina and Brazil we compete with Companhia de Bebidas das Americas, commonly referred to as AmBev, the largest brewer in Latin America and a subsidiary of InBev S.A., which sells Pepsi products, in addition to a portfolio that includes local brands with flavors such as guaraná. This competition is likely to continue, and we cannot assure you that it will not intensify in the future which could materially and adversely affect our financial condition and results of operations. See “Item 4. Information on the Company — Part B. Business Overview— Soft Drink Business—Competition.”

Changes in the nonalcoholic beverages business environment could adversely affect our financial results

The nonalcoholic beverages business environment is rapidly evolving as a result of, among other things, changes in consumer preferences, including changes based on health and nutrition considerations and obesity concerns, shifting consumer tastes and needs, changes in consumer lifestyles and competitive product and pricing pressures. In addition, the industry is being affected by the trend toward consolidation in the retail channel. If we are unable to successfully adapt to this rapidly changing environment, our net income, share of sales and volume growth could be negatively affected.

Raw material prices may be subject to U.S. dollar/local currency exchange risk and price volatility which could increase our costs of operations

Numerous raw materials, including sugar and resin, are used in producing beverages and containers. We purchase raw materials from both domestic and international suppliers. See “Item 4. Information on the Company—Part B. Business Overview—Soft Drink Business—Raw Materials and Supplies.” Because the prices of raw materials are fixed in U.S. dollars, we are subject to local currency risk in each of our operations. If the Chilean peso, Brazilian real or Argentine peso were to depreciate significantly against the U.S. dollar, the cost of certain raw materials could rise significantly, which could have an adverse effect on our financial condition and results of operations. We cannot assure you that these currencies will

not lose value against the U.S. dollar in the future. Additionally, these raw materials are subject to international price volatility that could also have a material negative effect over our profitability.

Instability in the supply of utility services and oil prices may adversely impact our results of operations

Our operations depend on a stable supply of utilities and fuel in the countries where we operate that the Company cannot assure fluctuations in oil prices have adversely affected our cost of energy and transportation in the three countries we operate and we expect that they will continue to do so in the future. We believe that the increase of energy prices will not have a significant effect over our results of operations.

Water scarcity and poor quality could negatively impact the Company's production costs and capacity.

Water is the main ingredient in substantially all of our products. It is also a limited resource in many parts of the world, facing unprecedented challenges from overexploitation, increasing pollution and poor management. As demand for water continues to increase around the world, and as the quality of available water deteriorates, the Company may incur increasing production costs or face capacity constraints that could adversely affect our profitability or net operating revenues in the long run.

Significant additional labeling or warning requirements may inhibit sales of affected products.

The countries in which we operate, may adopt significant additional product labeling or warning requirements relating to the chemical content or perceived adverse health consequences of certain of the Coca-Cola products. These types of requirements, if they become applicable to one or more of the Coca-Cola products under current or future environmental or health laws or regulations, may inhibit sales of such products.

If we are unable to protect our information systems against data corruption, cyber-based attacks or network security breaches, our operations could be disrupted.

We are increasingly dependent on information technology networks and systems, including the Internet, to process, transmit and store electronic information. In particular, we depend on our information technology infrastructure for digital marketing activities and electronic communications among the Company and our clients, suppliers and also among our subsidiaries. Security breaches of this infrastructure can create system disruptions, shutdowns or unauthorized disclosure of confidential information. If we are unable to prevent such breaches, our operations could be disrupted, or we may suffer financial damage or loss because of lost or misappropriated information.

Perception of risk in emerging economies may impede our access to international capital markets, hinder our ability to finance our operations and adversely affect the market price of our common shares and American Depositary Receipts.

As a general rule, international investors consider Argentina, and to a lesser extent Chile and Brazil, to be emerging market economies. Consequently, economic conditions and the market for securities of emerging market countries influence investors' perceptions of Chile, Brazil and Argentina and their evaluation of companies' securities located in these countries.

During periods of heightened investor concern regarding emerging market economies, in particular Argentina and to a lesser extent Brazil, have experienced significant outflows of U.S. dollars. In addition, Brazilian and Argentine companies have faced higher costs for raising funds, both domestically and abroad, as well as limited access to international capital markets, which have negatively affected the prices of Brazilian and Argentine securities. Although economic conditions are different in each of the emerging-market countries, investors' reactions to developments in one of these countries may affect the securities of issuers in the others, including Chile. For example, adverse developments in other developing or emerging market countries may lead to decreased investor interest in investing in Chile or in the securities of Chilean companies, including securities of the Company.

It may be difficult to enforce civil liabilities against us or our directors, executive officers or controlling persons

We are a *sociedad anónima*, or stock corporation, organized under the laws of Chile. Some of our directors, executive officers and controlling persons reside in Chile or outside of the United States. In addition, all or a substantial portion of the assets of these persons and of our assets are located outside of the United States. As a result, it may not be possible for

investors to effect service of process within the United States upon such persons, or to enforce against them in U.S. courts judgments predicated upon civil liability provisions of the federal securities laws of the United States or otherwise obtained in U.S. courts. Because our assets are located outside of the United States, any judgment obtained in the United States against us may not be fully collectible in the United States.

If we experience strikes, work stoppages or labor unrest, our business would suffer.

Strikes, work stoppages or other forms of labor unrest at any of our production facilities could impair our ability to supply products to customers, which would reduce our revenues and could expose us to customer claims.

Risks Relating to Chile

Our growth and profitability depend on economic conditions in Chile

Approximately 43% of our assets and 31% of our net sales in 2011 were derived from our operations in Chile. Thus, our financial condition and results of operations depend significantly on economic conditions prevailing in Chile. According to data published by the Central Bank, the Chilean economy grew at a rate of -1.7% in 2009, 5.2 % in 2010 and 6.3% in 2011. Our financial condition and results of operations could also be adversely affected by changes over which we have no control, including, without limitation:

- the economic or other policies of the Chilean government, which has a substantial influence over many aspects of the private sector;
- other political or economic developments in or affecting Chile;
- regulatory changes or administrative practices of Chilean authorities;
- inflation and governmental policies to combat inflation;
- currency exchange movements; and
- global and regional economic conditions.

Inflation in Chile may disrupt our business and have an adverse effect on our financial condition and results of operations

The annual rates of inflation in Chile which in 2009, 2010 and 2011 were —1.4%, 3.0% and 4.4%, respectively (as measured by changes in the consumer price index and as reported by the Chilean National Institute of Statistics) could adversely affect the Chilean economy and have a material adverse effect on our financial condition and results of operations. We cannot assure you that Chilean inflation will not continue to increase significantly. We cannot assure you that, under competitive pressure, we will be able to realize price increases, which could adversely impact our financial condition and results of operations.

The Chilean peso is subject to depreciation and volatility which could adversely affect the value of an investment in our securities

The Chilean government's economic policies and any future changes in the value of the Chilean peso against the U.S. dollar, could adversely affect our operations and financial results and the dollar value of an investor's return. The Chilean peso has been subject to large nominal devaluations in the past and may be subject to significant fluctuations in the future. Based on the Observed Exchange Rates for U.S. dollars in the period from 2008 to 2011 the Chilean peso relative to the U.S. dollar appreciated 7.39% in nominal terms. During 2011 the Chilean peso relative to the U.S. dollar appreciated 5.15% in nominal terms. See "Item 3. Key Information-Exchange Rates."

Our Class A shares and Class B shares are traded in Chilean pesos on the Chilean Stock Exchanges. Cash distributions with respect to the shares will be received in Chilean pesos by the depositary, currently The Bank of New York Mellon Corporation (as depositary for the Series A and Series B shares represented by the Series A and Series B ADRs), which will convert such Chilean pesos to U.S. dollars at the then prevailing exchange rate to make U.S. dollar payments in respect of the ADRs. If the value of the Chilean peso depreciates relative to the U.S. dollar, the value of the ADRs and any distributions to be received from the depositary would be adversely affected. In addition, the depositary will incur costs (to be ultimately borne by the ADR holders) in connection with the foreign currency conversion and subsequent distribution of dividends or other payments with respect to our ADRs.

Exchange controls and withholding taxes in Chile may limit repatriation of foreign investments

Equity investments in Chile by persons who are not Chilean residents are generally subject to various exchange control regulations that govern the convertibility and repatriation of the investments and earnings. The ADRs are governed by an Agreement among us, the depositary and the Central Bank of Chile (the "Foreign Investment Agreement"). The Foreign Investment Agreement guarantees the depositary and the ADR holders access to Chile's Formal Exchange Market, permits the depositary to remit dividends it receives from us to the ADR holders and permits the holders of ADRs to repatriate the proceeds of the sale of shares withdrawn from the ADR facility, thereby enabling them to acquire currencies necessary to repatriate investments in the shares and earnings there from. Pursuant to current Chilean law, the Foreign Investment Agreement may not be amended unilaterally by the Central Bank of Chile, and there are judicial precedents (which are not binding with respect to future judicial decisions) indicating that the Foreign Investment Agreement may not be voided by future legislative changes.

Dividends received by ADR holders of are paid net of foreign currency exchange fees and expenses of the depositary and are subject to Chilean withholding tax, currently imposed at a rate of 35%, subject to credits in certain cases as described under "Item 10. Additional Considerations —Tax Considerations Relating to Equity Securities".

We cannot assure you that additional restrictions applicable to ADR holders , the disposition of the shares underlying the ADRs and the convertibility and/or the repatriation of the proceeds from such disposition or the payment of dividends will not be imposed in the future, nor can we advise as to the duration or impact of such restrictions if imposed. If for any reason, including changes in the Foreign Investment Agreement or Chilean law, the depositary was unable to convert Chilean pesos to U.S. dollars, investors would receive dividends or other distributions, if any, in Chile and in Chilean pesos.

Risks Relating to Brazil

Our business is dependent to some extent on economic conditions in Brazil

Approximately 41% of our assets and 45% of our consolidated net sales in 2011 were derived from our operations in Brazil. Because demand for soft drinks and beverage products is usually correlated to economic conditions prevailing in the relevant local market, which in turn is dependent on the macroeconomic condition of the country in which the market is located, our financial condition and results of operations to a considerable extent are dependent upon political and economic conditions prevailing in Brazil. According to data available to general public, the Brazilian economy grew at a rate of, -0.6% in 2009, 7.5% in 2010 and 2.8% in 2011.

The Brazilian government exercises influence over the Brazilian economy, which together with historically volatile Brazilian political and economic conditions, could adversely affect our financial condition and results of operations and the market price of our shares and ADRs

Historically, the Brazilian government has changed monetary, credit, tariff, and other policies to influence the course of Brazil's economy. Such government actions have included wage and price controls as well as other measures such as freezing bank accounts, imposing exchange controls and imposing limits on imports and exports. Changes in policy and other political and economic developments could adversely affect the Brazilian economy and have a material adverse effect on our business, financial condition and results of operations. We cannot assure you that present economic conditions and policies intended to promote a sustainable economic development will continue.

Although inflation in Brazil has stabilized in recent years, increased inflation may adversely affect the operations of Andina Brazil which could adversely impact our financial condition and results of operations

As measured by the Brazilian *Índice Nacional de Preços ao Consumidor* or INPC, inflation in Brazil was 4.1% 6.5% and 6.1% in 2009, 2010 and 2011, respectively. Increased inflation rates may result in lower consumer purchasing power on behalf of consumers and lower sales volume for Andina Brazil. We cannot assure you that levels of inflation in Brazil will not increase in future years and have a material adverse effect on our business, financial condition or results of operations. Inflationary pressures may lead to further government intervention in the economy, including the introduction of government policies that could adversely affect the results of operations of Andina Brazil and consequently our financial condition and results of operations and the market price of our shares and ADSs.

The Brazilian real is subject to depreciation and volatility which could adversely affect our financial condition and results of operations

During 2008, the *real* depreciated 31.9% due to the world economic crisis and in 2009, 2010 and 2011, it appreciated 25.5% , 4.3% and 4.9% respectively against the U.S. dollar compared to the prior year period. In the event of a devaluation of the real, the financial condition and results of operations of our Brazilian subsidiary could be adversely affected.

Depreciation of the *real* relative to the U.S. dollar may increase the cost of servicing foreign currency-denominated debt that we may incur in the future, which could adversely affect our results of operations and financial condition. In addition, depreciation of the *real* can create inflationary pressures in Brazil that may negatively affect our results of operations. Depreciation generally curtails access to international capital markets and combined with other macroeconomic aspects, may prompt recessionary government intervention. It also reduces the U.S. dollar value of our revenues, distributions and dividends, and the U.S. dollar equivalent of the market price of our common shares. On the other hand, the appreciation of the real against the U.S. dollar may lead to the deterioration of Brazil's public accounts and balance of payments, as well as to lower economic growth from exports.

The Brazilian government imposes certain restrictions on currency conversions and remittances abroad which could affect the timing and amount of any dividend or other payment we receive

Brazilian law guarantees foreign shareholders of Brazilian companies the right to repatriate their invested capital and to receive all dividends in foreign currency provided that their investment is registered with Brazil's Central Bank. We registered our investment in Andina Brazil with the Brazilian Central Bank on October 19, 1995. Although dividend payments related to profits obtained subsequent to January 1, 1996 are not subject to income tax, after the sum of repatriated capital and invested capital exceeds the investment amount registered with the Brazilian Central Bank, repatriated capital is subject to a capital gains tax of 15%. Under current Chilean tax law, we will realize a tax credit in respect of all Brazilian taxes paid relating to Andina Brazil. There can be no assurance that the Brazilian government will not impose additional restrictions or modify existing regulations that would have an adverse effect on an investor's ability to repatriate funds from Brazil nor can there be any assurance of the timing or duration of such restrictions, if imposed in the future.

Risks Relating to Argentina

Our business is dependent to some extent on economic conditions in Argentina

Approximately 17% of our assets and 24% of our net sales in 2011 were derived from our operations in Argentina. Because demand for soft drinks and beverage products usually is correlated to economic conditions prevailing in the local market, which in turn is dependent on the macroeconomic condition of the country, the financial condition and results of operations of our franchise in Argentina are, to a considerable extent, dependent upon political and economic conditions prevailing in Argentina.

GDP growth in Argentina was 8.3% in 2011 and 9.2% in 2010. Facing the international financial crisis, the public sector did not default and carried out payments using the reserves of Argentina's Central bank and loans from Banco de la Nación Argentina, generating new and significant macroeconomic policy challenges. Although Argentina managed to roll with the punches of a recessive year and an international crisis without upsetting the main financial variables, we cannot assure that economic conditions in Argentina will continue improving or that our operations will continue experiencing good results.

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Political and economic instability may recur which could have a material adverse effect on our Argentine operations and on our financial condition and results of operations.

In the period from 1998 through 2003, Argentina experienced acute economic problems that culminated with the restructuring of substantially all of Argentina's sovereign bond indebtedness. A succession of presidents were inaugurated during this crisis period and various states of emergency were declared that suspended civil liberties and instituted restrictions on transfers of funds abroad and foreign exchange controls, among other measures. Argentina's GDP contracted 10.9% in 2002. Beginning 2003, Argentine GDP began to recover and from 2004 to 2008 recorded an average rate of growth of 8.4%. In the political environment, legislative elections carried out in June of 2009 were a misfortune for the government's political party losing the majority in both houses. This new political scenario in Argentina could make the executive power need to arrive at a consensus with the opposition regarding rules and regulations in order for them to be approved by the legislative power.

The macroeconomic condition in Argentina has been characterized by:

- increased inflation which has been slightly controlled by price control;
- deeper state of intervention in the economy;
- fiscal deficit ; and
- strong salary pressures.

The Argentine government continues to face significant exposure to litigation from holders of its defaulted debt that did not participate in the Argentine government's exchange offer.

The Argentine government could impose certain restrictions on currency conversions and remittances abroad which could affect the timing and amount of any dividends or other payment we receive from our Argentine franchise

Until December 2001, the Argentine peso was pegged 1-to-1 to the U.S. dollar. From January 1st, 2002, the Argentine peso has been allowed to float freely against the U.S. dollar and other foreign currencies.

Since 2003 and following a series of restrictive measures in the money market and fund movements, the Argentine Central Bank removed several of the foreign exchange restrictions, including elimination of the requirement that the Argentine Central Bank approve the repayment of principal of financial indebtedness, extended the term for the repatriation of export proceeds, allowed earlier payments of imports, and starting 2004, increased up to US$2 million, the monthly amount that Argentine-domiciled individuals or corporations are allowed to purchase and transfer abroad.

There can be no assurance that the Argentine Central Bank will not once again require its prior authorization for the transfer of funds abroad in the form of dividends or payment of inter-company or third party loans. Any such inability to transfer funds outside of Argentina, in the form of dividends or otherwise, could adversely affect the value of our Argentine operations and the market value of our ADRs.

Inflation in Argentina may adversely affect our operations which could adversely impact our financial condition and results of operations

Argentina has experienced high levels of inflation in recent decades, resulting in large devaluations of its currency. Argentina's historically high rates of inflation resulted mainly from its lack of control over fiscal policy and the money supply. The official annual rates of inflation (published by INDEC-*Instituto Nacional de Estadísticas y Censos*- National Statistics and Census Institute as measured by changes in the consumer price index) between 2009, 2010 and 2011 were, 7.7%, 10.9% and 9.5%, respectively for each year. High levels of inflation in Argentina could adversely affect the Argentine economy and have a material adverse effect on our financial condition and results of operations.

The Argentine peso is subject to depreciation and volatility which could adversely affect our financial condition and results of operations

During 2011, the exchange rate in Argentina underwent a depreciation of 5.6%. The Argentine government's economic policies and any future devaluation of the Argentine peso against the U.S. dollar could adversely affect our financial

condition and results of operations. The Argentine peso has been subject to large devaluations in the past and may be subject to significant fluctuations in the future.

The Public Emergency Law and Foreign Exchange Regime Reform Law of 2002 put an end to more than ten years of U.S. dollar-peso parity and authorized the Argentine government to set the exchange rate. Subsequent to the devaluation of the Argentine peso in early 2002 and since the beginning of the Argentine economic crisis, there have been significant fluctuations in the value of the Argentine peso causing repeated Argentine Central Bank interventions to stabilize the Argentine peso through purchases and sales of U.S. dollars said devaluation of the Argentine peso has had a negative impact on our results.

We cannot assure you that the policies to be implemented by the Argentine government in the future will stabilize the value of the Argentine peso against foreign currencies. Therefore, the Argentine peso may continue to be subject to significant fluctuations and further depreciations which might significantly and adversely affect our financial condition and the results of our operations.

Risk Factors Relating to the ADRs and Common Stock

Preemptive rights may be unavailable to ADR holders

According to the *Ley de Sociedades Anónimas* No. 18.046 and the *Reglamento de Sociedades Anónimas* (collectively, the "Chilean Companies Law"), whenever we issue new shares for cash, we are required to grant preemptive rights to holders of our shares (including shares represented by ADRs), giving them the right to purchase a sufficient number of shares to maintain their existing ownership percentage. However, we may not be able to offer shares to United States holders of ADRs pursuant to preemptive rights granted to our shareholders in connection with any future issuance of shares unless a registration statement under the U.S. Securities Act of 1933, as amended, is effective with respect to such rights and shares, or an exemption from the registration requirements of the U.S. Securities Act of 1933, as amended, is available.

Under the procedure established by the Central Bank of Chile, the foreign investment agreement of a Chilean company with an existing ADR program will become subject to an amendment (which will also be deemed to incorporate all laws and regulations applicable to international offerings in effect as of the date of the amendment) that will extend the benefits of such contract to new shares issued pursuant to a preemptive rights offering to existing ADR owners and to other persons residing and domiciled outside of Chile that exercise preemptive rights, upon request to the Central Bank of Chile. We intend to evaluate at the time of any rights offering the costs and potential liabilities associated with any such registration statement as well as the indirect benefits to us of enabling United States ADR holders to exercise preemptive rights and any other factors that we consider appropriate at the time, and then make a decision as to whether to file such registration statement.

We cannot assure you that any registration statement would be filed. To the extent ADR holders are unable to exercise such rights because a registration statement has not been filed, the depositary will attempt to sell such holders' preemptive rights and distribute the net proceeds thereof if a secondary market for such rights exists and a premium can be recognized over the cost of any such sale. If such rights cannot be sold, they will expire and ADR holders will not realize any value from the grant of such preemptive rights. In any such case, such holder's equity interest in the Company would be diluted proportionately.

Shareholders' rights are less well defined in Chile than in other jurisdictions, including the United States

Under the United States federal securities laws, as a foreign private issuer, we are exempt from certain rules that apply to domestic United States issuers with equity securities registered under the United States Securities Exchange Act of 1934, as amended, including the proxy solicitation rules, the rules requiring disclosure of share ownership by directors, officers and certain shareholders. We are also exempt from certain of the corporate governance requirements of the Sarbanes-Oxley Act of 2002 and the New York Stock Exchange, Inc., including the requirements concerning independent directors.

Our corporate affairs are governed by the laws of Chile and our *estatutos* or bylaws, which function not only as our bylaws but also as our articles of incorporation. Under such laws, our shareholders may have fewer or less well-defined rights than they might have as shareholders of a corporation incorporated in a U.S. jurisdiction.

Pursuant to Law No. 19,705, enacted in December 2000, the controlling shareholders of an open stock corporation can only sell their controlling shares via a tender offer issued to all shareholders in which the bidder would have to buy all the offered shares up to the percentage determined by it, when the price paid is substantially higher than the market price (that is, when the price paid was higher than the average market price of a period starting 90 days before the proposed transaction and ending 30 days before such proposed transaction, plus 10%).

The market for our shares may be volatile and illiquid

The Chilean securities markets are substantially smaller, less liquid and more volatile than major securities markets in the United States. The *Bolsa de Comercio de Santiago* (the "Santiago Stock Exchange"), which is Chile's principal securities exchange, had a market capitalization of approximately US$269,247 million at December 31, 2011 and an average monthly trading volume of approximately US$4,698 million for 2011. The lack of liquidity owing, in part, to the relatively small size of the Chilean securities markets may have a material adverse effect on the trading prices of our shares. Because the market for our ADRs depends, in part, on investors' perception of the value of our underlying shares, this lack of liquidity for our shares in Chile may have a significant effect on the trading prices of our ADRs.

ITEM 4. INFORMATION ON THE COMPANY

A. History and development of the Company

Our legal name is Embotelladora Andina S.A. and our commercial name is Andina. We were incorporated and organized on February 7, 1946 under the Chilean Companies Law as a *sociedad anónima* (stock corporation). An abstract of our bylaws is registered with the *Registro de Comercio de Santiago* (Public Registry of Commerce of the City of Santiago) under No. 581 on page 768 of the year 1946. Pursuant to our bylaws, our term of duration is indefinite.

Our shares of common stock are listed and traded on the Bolsa de Comercio de Santiago (Santiago Stock Exchange), on the Bolsa Electrónica de Chile (the Chilean Electronic Stock Exchange) and the Bolsa de Comercio de Valparaiso (the Valparaiso Stock Exchange). Our Series A and Series B ADRs representing our Series A and Series B shares, respectively, are listed on the New York Stock Exchange. Our principal executive offices are located at Avenida El Golf 40, Piso 4, Las Condes, Santiago, Chile. Our telephone number is +56-2-338-0520 and our website is www.embotelladoraandina.com.

Our depositary agent for the ADRs in the United States is The Bank of New York Mellon Corporation, located at One Wall Street, New York, New York 10286. Our depositary agent's telephone number is (212) 815-2296. Our authorized representative in the United States is Puglisi & Associates, located at 850 Library Avenue, Suite 204, Newark, Delaware 19711, United States and their phone number is (302) 738-6680.

History

In 1941, The Coca-Cola Company licensed a private Chilean company to produce Coca-Cola soft drinks in Chile, and production began in 1943. In 1946, the original licensee withdrew from the license arrangement, and a group of U.S. and Chilean investors formed Andina, which became The Coca-Cola Company's sole licensee in Chile. Between 1946 and the early 1980s, Andina developed the Chilean market for Coca-Cola soft drinks with a system of production and distribution facilities covering the central and southern regions of Chile. In the early 1980s, Andina sold its Coca-Cola licenses for most areas outside the Santiago metropolitan region and concentrated on the development of its soft drink business in the Santiago area. Although no longer the sole Coca-Cola bottler in Chile, Andina has been the principal manufacturer of Coca-Cola products in Chile for an uninterrupted period of 65 years.

In 1985, a majority of Andina's shares was acquired by four Chilean families who compromise Inversiones Freire Ltda. ("Freire" or "the Controlling Shareholders"). On December 31, 2011, the Controlling Shareholders owned 55.0% of our outstanding Series A shares, which have preferred voting rights and thereby control the Company; and 42.4% of our outstanding Series B shares, consequently the Controlling Shareholders of Andina hold a 48.7% ownership interest in the Company. Further information regarding our Controlling Shareholders can be found on page 73 of our 2011 Annual Report which is available at our website: www.embotelladoraandina.com.

Andina Brazil, our Brazilian subsidiary, began production and distribution of Coca-Cola soft drinks in Rio de Janeiro in 1942. In June 1994, we acquired 100% of the capital stock of Andina Brazil for approximately US$120 million and

contributed an additional US$31 million to Andina Brazil's capital immediately after the acquisition to repay certain indebtedness of Andina Brazil. In 2000, we purchased through Andina Brazil, from the Coffin Group, a Coca-Cola franchise license for a territory in Brazil comprising the State of Espírito Santo and part of the States of Rio de Janeiro and Minas Gerais (NVG), for US$74.5 million. NVG was merged into Andina Brazil in 2000, and its operations were integrated with Andina Brazil in 2001. In 2004, Andina Brazil entered into a franchise swap agreement with the Brazilian subsidiary of The Coca-Cola Company, Recofarma Indústria do Amazonas Ltda., for (1) an exchange of franchising rights, goods and other assets of Andina Brazil in the territory of Governador Valadares in the State of Minas Gerais, and (2) other franchise rights of The Coca-Cola Company in the territories of Nova Iguaçu in the state of Rio de Janeiro, which was previously owned by Companhia Mineira de Refrescos S.A. In 2007 TCCC along with the Coca-Cola bottlers in Brazil create a Joint Venture, Mais Indústria de Alimentos, in order to enhance the non-carbonated business for the entire System in that country, and in 2008 The Coca-Cola System acquires a second company that produces non carbonated beverages called Sucos del Valle do Brasil Ltda These two companies merged in 2011 and SABB (Sistema de Alimentos y Bebidas do Brasil) was created in which Andina Brazil holds a 5.74% ownership interest. In 2010 TCCC along with the Coca-Cola bottlers in Brazil acquired Leão Junior S.A. through a Joint Venture. Leão Junior S.A. among others, commercializes Matte Leão. This company has a consolidated presence and market share within the ready-to-drink teas category in Andina Brazil's territory. Andina Brazil has an 18.20% ownership interest in Leão Junior S.A. Andina Brazil holds an average ownership interest of 10.74% in Leão Junior and SABB.

Production of Coca-Cola soft drinks in the Argentine territory began in 1943 with the start-up of operations in the province of Córdoba, Argentina, through Inti S.A.I.C., which we refer to as "INTI". In July 1995, we (through Inversiones del Atlántico S.A., an investment company incorporated in Argentina), which we refer to as "IASA", acquired a 59% interest in Edasa, the parent company of Rosario Refrescos S.A. and Mendoza Refrescos S.A. These entities were subsequently merged to create Rosario Mendoza Refrescos S.A., which we refer to as "Romesa". In 1996 we acquired an additional 35.9% interest in Edasa, an additional 78.7% interest in Inti, a 100% interest in Cipet located in Buenos Aires (a PET plastic bottle and packaging business) and a 15.2% interest in Cican S.A. During 1997, the operations of Romesa were merged with INTI. In 1999, Edasa was merged into IASA. In 2000, IASA was merged into Inti, which in turn changed its corporate name to Embotelladora del Atlántico S.A. (EDASA). In 2002 Cipet merged into Edasa. During 2007 EDASA's ownership interest in Cican S.A. was sold to Femsa. Currently, Edasa is the Coca-Cola bottler in the provinces of Entre Rios, San Luis, San Juan, Mendoza, part of Santa Fe and part of Buenos Aires (San Nicolás y Ramallo.)

In 1998, Andina repurchased from The Coca-Cola Company its 49% stake in Vital. Concurrently with that transaction, The Coca-Cola Company purchased Vital's mineral water springs located at Chanqueahue, 80 miles south of Santiago. As part of the transaction, the Vital bottler agreement was replaced with a juice bottler agreement with Minute Maid International Inc., as well as a new mineral water bottling agreement with The Coca-Cola Company. In addition, the 1995 shareholders' agreement between us and The Coca-Cola Company regarding ownership of Vital was terminated. The restructuring of the water and juice business in Chile enhanced our focus on the production of soft drinks, water and juice. During 2005, the production and packaging business of water, juice and non-carbonated beverages licensed by TCCC in Chile was restructured. Vital Aguas S.A., which we refer to as VASA, was created to develop the production and packaging businesses of Vital de Chanqueahue, mineral water and other water products. VASA is focused on developing juice and non-carbonated beverages. Andina, Embonor S.A. and Embotelladora Coca-Cola Polar S.A. own 56.5%, 26.4% and 17.1%, respectively, of the outstanding capital of VASA. During January of 2011, the juice business was restructured, allowing the incorporation of the other Coca-Cola bottlers in Chile to the property of Vital S.A. which changed its name to Vital Jugos S.A. Andina, Embonor S.A. and Embotelladora Coca-Cola Polar S.A. own 57%, 28% and 15%, respectively, of the outstanding capital of Vital Jugos S.A.

In Chile we participate in the business of producing PET bottles through a 50/50 joint venture we entered into with Cristalerías de Chile in the year 2001. On January 27, 2012, Coca-Cola Embonor through its subsidiary, Embonor Empauqes S.A. acquired Cristalerías de Chile's stake equivalente to a 50% ownership interest in Envases CMF.

On March 30, 2012, after completion of due-diligence procedures, the Company signed a Promissory Merger Agreement with Embotelladoras Coca-Cola Polar S.A. ("Polar"). Polar is also a Coca-Cola bottler, with its operations in Chile and Paraguay.

The terms of the merger prescribe the exchange of newly issued Company shares at a rate of 0.33269 Series A shares and 0.33269 Series B shares, for each outstanding share of Polar. This exchange rate implies that the current shareholders of Polar will acquire a 19.68% interest in the Company.

Prior to closing the merger, and subject to the approval by of each of the respective shareholders' meetings, Andina and Polar will each distribute dividends to their shareholders, in addition to those already declared and distributed to date. Company dividends will amount to Ch$28,155,862,307 and Ch$29,565,609,857, respectively, which represents Ch$35.27 per Series A share and Ch$38.80 per Series B share.

Closing of the merger first requires the approval of the Chilean Superintendence of Securities and Insurance, the Boards of Directors and shareholders of both companies, and the Coca-Cola Company. It also requires registration of new shares to be issued in the exchange. The merger is scheduled to close before August 31, 2012.

Based on the historical results for the year ended December 31, 2011, the merged entity would have a pro-forma net revenues of approximately US$2.643 million, becoming one of the largest Coca-Cola bottlers in Latin America with operations in Argentina, Brazil, Chile and Paraguay.

In 1996, our shareholders approved the Reclassification of Capital Stock, which we refer to as the "Reclassification", of Andina's common stock into two new series of shares. Pursuant to the Reclassification, each outstanding share of Andina's common stock was replaced by one newly issued Series A share and one newly issued Series B share. The Series A and Series B shares are principally differentiated by their voting and economic rights: the holders of the Series A shares have full voting power and are entitled to elect six of seven regular and alternate members of the board of directors, and the holders of the Series B shares have no voting rights but for the right to elect one regular and one alternate member of the board of directors. In addition, holders of Series B shares are entitled to a dividend 10% greater than any dividend on Series A shares.

After the Reclassificaction, the Superintendence of Pension Fund Managers (*Superintendencia de Administradores de Fondos de Pensiones*) decreed that Chilean pension funds would not be permitted to acquire Series B Shares due to their limited voting rights. Later, during 2004, the Superintendence approved Series B shares as investment instruments for Chilean Pension funds. Series A shares have always been eligible as investment instruments.

Capital Expenditures

During 2011 the Company financed its permanent investments exclusively from internal resources.

The following table sets forth our capital expenditures by territory and line of business for the periods indicated:

	Year ended December 31,		
	2011	**2010**	**2009**
	MCh$	**MCh$**	**MCh$**
Soft Drinks:			
Chilean territory	72,669	46,673	21,369
Brazilian territory	28,951	35,607	18,892
Argentine territory	18,801	8,961	7,362
Other Beverages:			
Vital Jugos S.A.	—	3,315	1,566
Argentine territory	3,780	—	—
PET Packaging:			
Argentine territory	2,730	906	294
Total	**126,931**	**95,462**	**49,483**

During 2011, the Company has made disbursements totaling Ch$3,198 million for improvements in industrial processes, equipment to measure industrial waste flows, laboratory analyses, consulting on environmental impacts and other studies. For further details please refer to Note 27 of our Consolidated Financial Statements filed herewith.

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Our total capital expenditures were Ch$126,931million in 2011, Ch$95,462 million in 2010. In 2011, capital expenditures were principally related to the following:

Soft drinks:

Chile
- Returnable bottles (glass and PET bottles) and bottle cases;
- Cooling equipment, post mix and other point of sale equipment;
- New equipment to increase efficiency and production capacity;
- Implementation of the new Renca bottling facility.

Brazil
- Returnable glass bottles and bottle cases;
- Coolers, post-mix and other point-of-sale equipment;
- Equipment to increase efficiency and production capacity; and
- Remodeling of the Nova Iguacú distribution center
- Industrial projects at Jacarepaguá: cooling, syrup, tanks and “short finish”

Argentina
- Bottles (glass and PET bottles) and bottle cases;
- Coolers and pos tmix equipment;
- Returnable PET production line;
- Line for waters and sensitive products
- Semi-automatic sorting
- Injectors (2), one to increase operating capacity and the other one for the waters project.

Juices and Waters

Juices

- New SACMI filling line for Pet/glass OW Hot Fill bottles (Line N ° 3);
- Dase Seal labelor acquisition for Line N°3 Pet/glass OW;
- Automatic mixed system for beverages without pulp;
- Remodelling of quality control laboratory;
- Adaptation of Line N°2 Pet OW for new Powerade one liter format;
- Acquisition of automatic mixing system for beverages without pulp;
- Upgrade of central controlling system in formulation room;
- Relocation and enlargement of the general warehouse for raw materials; and
- Expansion of finished product warehouse.

Waters

- New network of for sanitary air;
- Gas boiler
- Electric generator bottling plant;
- Electric generator fire network;
- Electric generator neumatic transport Blowing Plant;
- Depalletizor and transportation of line N°1 for the new 330 cc product
- Adpatation of Line N°2 for the new 6 lt format

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Divestitures

In May 2011, EDASA sold the property where the bottling facility was originally located in the Castro Barros area in Córdoba for an amount of US$3.5 million.

B. Business Overview

Andina is among the ten largest Coca-Cola bottlers in the world, servicing franchised territories with 36 million people, delivering over 7.8 million liters of soft drinks, juices, and bottled waters on a daily basis. We are the largest producer of soft drinks in Chile and the second largest soft drink producer in Brazil and in Argentina. Our principal business is the production and distribution of Coca-Cola soft drinks, which accounted for 84.4% of our consolidated net sales in 2011. On 2011, we recorded consolidated net sales of Ch$829,888 million and total sales volume of 447.9 million unit cases of Coca-Cola soft drinks.

In addition to the Coca-Cola soft drinks business, through Vital Jugos S.A., we produce and distribute fruit juices and other fruit-flavored beverages in Chile under trademarks owned by TCCC. Through Vital Aguas S.A., we produce and sell mineral water and purified water in Chile under trademarks owned by TCCC. Through Envases Central S.A. we produce flavored waters and certain formats for soft drinks under trademarks owned by TCCC. We also manufacture PET bottles primarily for our own use in the packaging of Coca-Cola soft drinks in Chile and Argentina. In Brazil, we also distribute the beer brands Amstel, Bavaria, Birra Moretti, Dos Equis (XX), Edelweiss, Heineken, Kaiser, Murphy´s, Sol and Xingú.

Our Products

We produce, market and distribute the following Coca-Cola trademark beverages and brands licensed from third parties throughout our franchise territories:

Chile: Andina, Andina Light, Aquarius, Benedictino, Burn, Coca-Cola, Coca-Cola Light, Coca-Cola Zero, Dasani Citrus, Dasani Durazno, Dasani Manzana, Dasani Tangerine, Fanta Frutilla, Fanta Limón, Fanta Naranja, Fanta Naranja Zero, Fanta Uva, Hugo, Kapo, Minute Maid 100%, Nestea, Nestea Light, Nordic Mist Ginger Ale, Nordic Mist Tónica, Powerade, Powerade Light, Quatro Guarana, Quatro Light, Sprite, Sprite Zero andVital

Brazil: Amstel, Aquarius Fresh, Bavaria, Birra Moretti, Burn, Chá Leão, Coca-Cola, Coca-Cola Light, Coca-Cola Light Plus, Coca-Cola Zero, Crystal, Del Valle, Del Valle Frut, Del Valle Limao & Nada, Del Valle Fruta & Nada, Del Valle Mais, Del Valle Mais Soja, Dos Equis, Edelweiss, Fanta, Fanta Diet, Fanta Zero, Gladiator, Guaraná Leão, Heineken, I9, Kaiser, Kapo, Kapo Chocolate, Kuat, Kuat Eko, Kuat Zero, Leão Ice Tea, Matte Leão, Matte+Guaraná Leão, Murphy's, Powerade, Schweppes, Schweppes Light, Sol, Sprite, Sprite Diet, Sprite Zero, Xingú.

Argentina: Aquarius, Cepita (8 flavors), Cepita Nutri Defense, Cepita 100%, Cepita Naranja Light, Coca-Cola, Coca-Cola Light, Coca-Cola Light Plus, Coca-Cola Zero, Crush Lima-Limón, Crush Naranja, Dasani, Soda Kin, Fanta Limón, Fanta Pomelo, Fanta Naranja, Fanta Naranja Zero, Powerade Naranja, Powerade Manzana, Powerade Mountain Blast, Powerade Frutas Tropicales (tropical fruits), Powerade Naranja Light, Powerade Citrus, Quatro Liviana Schweppes Citrus, Schweppes Citrus Light Schweppes Tónica, Sprite and Sprite Zero.

We produce, market and distribute Coca-Cola soft drinks in our franchise territories through standard bottler agreements between our bottler subsidiaries and the local subsidiary in each jurisdiction of TCCC (collectively, the "Bottler Agreements"). We consider the enhancement of our relationship with TCCC an integral part of our business strategy.

We seek to enhance our business throughout the franchise territories by developing existing markets, penetrating other soft drink, waters and juices markets, forming strategic alliances with retailers to increase consumer demand for our products, increasing productivity, and by further internationalizing our operations.

1. Soft Drink Business

Sales Overview

We measure sales volume in terms of unit cases, which we refer to as UCs. Unit cases contain 192 ounces of finished beverage product (24 eight-ounce servings) or 5.69 liters. The following table illustrates our historical sales volumes for each of our territories:

	Soft Drink Sales Volumes Year ended December 31,		
	2011	2010	2009
		(millions of UCs)	
Chile	134.8	132.6	128.0
Brazil	183.5	187.0	173.7
Argentina	129.6	118.4	117.9

In 2011, our Coca-Cola soft drinks business accounted for net sales of Ch$829,888 million and operating income of Ch$128,783 million representing 84.4% and 90.4% of our consolidated net sales and operating income, respectively.

Our Chilean soft drink operations accounted for net sales in 2011 of Ch$255,436 million; the Brazilian soft drink operations for net sales of Ch$365,604 million; and the Argentine soft drink operations for net sales of Ch$208,848 million.

The following tables set forth, for the periods indicated, our net sales and volume of Coca-Cola soft drinks sold in our franchise territories for the periods indicated.

	Year ended December 31, 2011					
	Chile		Brazil		Argentina	
	MCh$	MUCs	MCh$	MUCs	MCh$	MUCs
Colas	197,610	104.3	302,278	148.5	162,180	101.7
Flavored soft drinks	57,826	30.5	63,326	35.0	46,668	27.9
Total	**255,436**	**134.8**	**365,604**	**183.5**	**208,848**	**129.6**

	Year ended December 31, 2010					
	Chile		Brazil		Argentina	
	MCh$	MUCs	MCh$	MUCs	MCh$	MUCs
Colas	189,941	104.4	297,644	155.6	127,808	91.5
Flavored soft drinks	51,231	28.2	53,180	31.4	39,139	26.9
Total	**241,172**	**132.6**	**350,824**	**187.0**	**166,947**	**118.4**

	Year ended December 31, 2009					
	Chile		Brazil		Argentina	
	MCh$	MUCs	MCh$	MUCs	MCh$	MUCs
Colas	179,470	102.5	253,514	144.3	120,982	90.8
Flavored soft drinks	45,843	25.5	44,812	29.4	39,115	27.1
Total	**225,313**	**128.0**	**298,326**	**173.7**	**160,097**	**117.9**

In Chile, Coca-Cola soft drinks are distributed in returnable and non-returnable glass and PET bottles and aluminum cans of various sizes. It is also distributed as Post-mix syrup, which is mixed with carbonated water in a dispenser at the point of sale, in stainless steel and bag-in-box containers. In Brazil, Coca-Cola soft drinks are distributed in returnable and non-returnable glass, in PET bottles of various sizes, in aluminum cans and also as post-mix syrup. In Argentina, Edasa produces and distributes Coca-Cola soft drinks in returnable and non-returnable glass and PET bottles of various sizes, in aluminum cans and as post-mix syrup. Regarding Juices, they are distributed in non-returnable glass and PET bottles, returnable glass bottles, in bi-laminated sachets, cardboard Tetra Pak containers and bag-in-box as concentrated juice that is mixed with water at the point of sale. Waters are distributed in returnable glass bottles and non-returnable PET bottles.

The following table sets forth, for the periods indicated, our sales of Coca-Cola soft drinks in Chile, Brazil and Argentina, by packaging type, measured as a percentage of total sales volume:

Soft Drink Sales by Packaging Type

	Year Ended December 31,					
	2011			2010		
	Chile % Total Mix	Brazil % Total Mix	Argentina % Total Mix	Chile % Total Mix	Brazil % Total Mix	Argentina % Total Mix
Returnable	61	11	51	61	12	49
Non-returnable	35	86	48	36	85	50
Post Mix	4	3	1	3	3	1
Total	**100**	**100**	**100**	**100**	**100**	**100**

Customers and Distribution

As of December 31, 2011, we sold our products to approximately 47,743 customers in Chile, 67,900 customers in Brazil, and 44,382 customers in Argentina. Although the mix varies significantly among the franchise territories, our distribution network generally relies on a combination of Company-owned trucks and independent distributors in each territory.

The following table sets forth, for the periods indicated, our sales of Coca-Cola soft drinks in Chile, Brazil and Argentina, by type of customer, measured as a percentage of total sales volume:

Soft Drink Sales by Type of Customer

	Year ended December 31,					
	2011			2010		
	Chile	Brazil	Argentina	Chile	Brazil	Argentina
	(%)					
Mom & Pops	53	22	50	59	20	50
Supermarkets	17	28	18	21	30	18
On Premise	11	26	3	13	26	3
Wholesale distributors	19	24	29	7	24	29
Total	**100**	**100**	**100**	**100**	**100**	**100**

Chile. As of December 31, 2011, Andina's sales force consisted of 199 salespeople (158 workers hired indefinitely and 41 hired on a fixed term basis) who call on most customers on average 1.6 times per week. For sales to major supermarkets, we employ 8 key account heads, 14 field supervisors and 522 third party promoters who are on-site supervisors who handle our products, monitor displays and track the pricing and marketing strategies of our competitors. Account executives are also assigned to major fast food outlets to work with the customer to develop sales on a consistent basis. Our distribution system for our soft drink products consisted of a group of 16 exclusive distributors, which are independent businesses that collectively deploy approximately 380 trucks (30 of which are company property), depending on seasonal demand. The 18 distributors collectively service all of our Chilean customers. In most cases, the distributor collects payment from the customer in cash or check. Where applicable, the driver also either collects empty returnable glass or PET bottles of the same type and quantity as the bottles being delivered, or collects cash deposits for the net returnable bottles delivered. This task is particularly significant in the Chilean territory where returnable containers accounted for approximately 61% of total soft drinks volume in 2011. Certain important customers (such as supermarkets), maintain accounts receivables with us, which are settled on average every 45 days after invoices are issued. On average, accounts receivable from all clients are liquidated on a 20-day term.

Brazil. As of December 31, 2011, Andina Brazil's sales force in Brazil consisted of an average of 612 salespeople (402 commercial representatives and 209 supermarket promoters) divided into three major groups responsible for: (i) sales to key accounts and fast food chains (who purchase soft drinks in post-mix dispensers, in cans and bottles), (ii) sales to supermarkets (consisting of bottle and can sales) and (iii) all other traditional customers. Each of these three groups also manages sales of the other beverages (beer, water, juice, energy drinks and ready-to-drink tea) distributed by Andina Brazil. In Brazil, we generally distribute Coca-Cola soft drinks through a distribution system that includes: (i) trucks operated by independent distributors pursuant to exclusive distribution arrangements with us and (ii) trucks operated by independent transport companies on a non-exclusive basis. In 2011, 9.5% were distributed by exclusive distributors, and 90.5% by independent transport companies. Distribution of all of Andina Brazil's beverages takes place from distribution centers and production facilities. In 2011, approximately 19% of Andina Brazil' soft drink sales were paid for in cash at the time of delivery, 19% were paid by check to be cashed between one and ten days after delivery and 62% were paid between 10 and 45 days after delivery by invoice.

Argentina. As of December 31, 2011, our sales force in Argentina consisted of 416 employees, grouped in salespeople, merchandisers, and Contact Center personnel. In 2011, 71% of Edasa's Coca-Cola soft drinks were distributed by direct distribution (trucking) and 29% by wholesale distribution. All of the direct distribution is done by a group of independent transport companies (each with three or more trucks). In 2011, approximately 78% of Edasa's soft drink sales were paid for in cash and 22% were credit sales.

Competition

We face intense competition throughout the franchise territories principally from bottlers of competing soft drink brands. See "Item 3. Key Information — Risk Factors — Risks Related to our Company — Our business is highly competitive and subject to price competition which may adversely affect our net profits and margins."

Chile. The soft drink segment of the Chilean beverage industry is highly competitive. The most important areas of competition are product image, pricing, advertising, ability to deliver product in popular bottle sizes, distribution capacity, and the amount of returnable bottles held by retailers or by consumers. Returnable bottles can be exchanged at the time of new purchases in lieu of paying a bottle deposit, thereby decreasing the purchase price. Our main competitor in the Chilean franchise territory is Embotelladora Chilenas Unidas or ECUSA, a subsidiary of Compañía Cervecerías Unidas S.A. or CCU, the major brewer in Chile. ECUSA produces and distributes Pepsi-Cola products and its own brands (soft drinks and bottled water).

Brazil. The soft drink segment of the Brazilian beverage industry is highly competitive. The most important areas of competition are product image, pricing, advertising and distribution capacity (including the number and location of sales outlets). According to A.C. Nielsen, our main soft drink competitor in the Brazilian territory is American Beverage Company or Ambev, the largest beer producer and distributor in Brazil and also produces soft drinks, including Pepsi-Cola products.

Argentina. The soft drink segment of the Argentine beverage industry is highly competitive. The most important areas of competition are product image, pricing, advertising, ability to produce bottles in popular sizes and distribution capacity.

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The greatest competitor is Ambev, the Latin American unit of the largest brewery group of the world (Inbev) that produces and commercializes Pepsi-Cola products. As far as B-brands, the most significant are: Talca, Pritty and Naranpol representing over 78% of the volume for B-brands. Productora Alimentaria S.A. is dedicated to the production, commercialization, and distribution of juices, soft drinks, appetizers and mass consumption products; and among others it also commercializes, the Naranpol brand with a strong market presence in the coast of Argentina. Pritty S.A., a company established in the city of Córdoba, is dedicated to the production and sale of beverages without alcohol; it commercializes Pritty, Doble Cola, Saldán, Switty, Rafting, Hook and Magna. O.E.S.A., a preceding Pepsi bottler in the province of Mendoza, produces and commercializes soft drinks and soda water under the brand Talca.

Based on reports by A.C. Nielsen, we estimate that in 2011, our average soft drink market share within our franchise territories reached 69.3%, 57.4%, and 57.3% for Chile, Brazil, and Argentina, respectively.

The following table presents the market share of our main competitors in Chile, Brazil and Argentina for the periods indicated:

Market Share

	Year ended December 31,					
	2011			2010		
	Chile	Brazil	Argentina	Chile	Brazil	Argentina
	(%)					
Coca-Cola soft drinks	69	57	57	69	57	55
ECUSA soft drinks	20			20	—	—
Pepsi-Cola and 7 Up products	4	4	21	3	5	21
Pritty products	—		8	—	—	9
Antarctica products	—	12		—	11	—
Brahma products	—	2		—	2	—
Other	7	25	14	8	25	15
Total	100	100	100	100	100	100

Source: A.C. Nielsen

Seasonality

Each of our lines of business is seasonal. Most of our beverage products have their highest sales volumes during the South American summer (October through March), with the exception of nectar products, which have a higher sales volume during the South American winter (April through September). Our Chilean and Argentine operations generally experience higher levels of seasonal price fluctuations than our Brazilian operations.

Raw Materials and Supplies(1)

The principal raw materials used in the production of Coca-Cola soft drinks are concentrate, sweetener, water and carbon dioxide gas. Production also requires glass and plastic bottles, bottle tops and labels. Water used in soft drink production is treated for impurities and adjusted for taste reasons. All raw materials, especially water, are subjected to continuous quality control.

Chile—Raw Materials. We purchase concentrate at prices established by TCCC. We mainly purchase sugar from Industria Azucarera Nacional S.A., IANSA, the only producer of sugar in Chile, although we may purchase sugar in the international market when prices are favorable, and have done so on occasion. Chilean sugar prices are subject to a price band established by the Chilean government on an annual basis. We obtain carbon dioxide gas from AGA Chile S.A. Andina's affiliate Envases CMF, produces returnable PET bottles and non-returnable PET pre-forms which are blown at our San Joaquín plant. We purchase glass bottles principally from Cristalerías de Chile S.A. and Cristalerías Toro S.A.I.C. Bottle caps are purchased from Closure Systems International, Alucaps Mexicana S.A. de C.V., Inyecal S.A. and other suppliers.

(1) For detailed information please visit our website www.embotelladoraandina.com

During 2011, 77% of the variable cost of sales for softdrinks produced by Andina Chile coprresponded to main raw materials. The cost of each raw material within the total of main raw materials is the following: concentrate represents 59%; sugar and artificial sweeteners 28%; non-returnable bottles 8%; bottle caps 4% and carbon dioxide 1%. Water does not constitute an important cost as raw material. Additionally, the cost of finished products purchased from third parties ("ECSA") is included within the cost of sales of soft drinks. These costs represent 21% of the total costs of sales of soft drinks and correspond to cans and some PET bottles.

Brazil - Raw Materials. Andina Brazil purchases concentrate in the city of Manaus at prices established by TCCC. Manaus has been designated as a duty-free development zone by the Brazilian government. Andina Brazil purchases sugar from Brazilian suppliers, in particular from Copersucar Ltda. It purchases carbon dioxide gas mainly from Companhia White Martins Gases S.A.. PET pre-forms from Braspla Ltda., and Amcor Ltda. Glass bottles are purchased from Owens-Illinois ; Cans are purchased from Rexam and Latapack Ball; metal bottle caps from Aro S.A.; and Plastic bottle caps are purchased from Closure Systems International and Rexam. Andina Brazil purchases water from the municipality of Rio de Janeiro.

During 2011, 98.1% of the variable cost of sales for softdrinks produced by Andina Brazil coprresponded to main raw materials The cost of each raw material within the total of main raw materials is the following: concentrate (including juice used for some flavors) represents 31.1%; sugar and artificial sweeteners 22.8.%; non-returnable bottles 21.4%; cans 12.2%, bottle caps 3.3%, carbon dioxide 7.3%. Additionally, the cost of soft drinks finished products purchased from third parties is included within the cost of sales of soft drinks. These costs represent 1.89% of the total costs of sales of soft drinks and correspond to some formats of cans, PET and non-returnable glass bottles.

Argentina - Raw Materials. Edasa purchases concentrate at prices established by The Coca-Cola Company. Edasa purchases sugar mainly from Ing. y Refinería San Martín de Tabacal S.A., Cía. Azucarera Concepción S.A., and Atanor S.C.A.; fructose from Productos de Maíz S.A. and Glucovil S.A., and carbon dioxide gas from Praxair S.A. and Air Liquide S.A. Edasa produces non-returnable and returnable PET bottles through its own packaging division, and glass bottles from Cattorini Hermanos S.A. ,Cristalerías de Chile S.A. and Cristalerías Toro de Chile, plastic caps from Alusud S.A. and Inyecal S.A., and metal caps from Metalgráfica Cearense S.A. and Aro S.A. in Brazil. Regarding water supply for the production of soft drink, Edasa owns water wells and pays a fee to the Dirección Provincial de Aguas Sanitarias. Edasa also buys stretch wrap from Manuli Packaging Argentina, Plastiandino S.A., Sanlufilm S.A., Atiles S.A., IPESA Ind. Plast. S.A. and Rio Chico S.A., and carton from Cartocor S.A. and Papeltécica S.A.

The cost of each raw material as a percentage of the total cost of raw materials is the following: concentrate 46%; sugar and artificial sweeteners 26%; non-returnable bottles 14%; bottle caps 3% and carbon dioxide 1%, and the remaining 2% correspond to packaging. Water does not represent a significant cost as raw material. Additionally, the cost of finished products purchased from third parties is included within the cost of sales of soft drinks. These costs represent 2% of the total costs of sales of soft drinks and correspond to can formats, juices and some bottled water products.

Argentina PET Packaging - Raw Materials. The principal raw material required for production of PET bottles is PET resin, during 2011 this raw material was mainly from DAK Américas de Argentina S.A. In 2011, the Edasa Packaging Division's costs for PET resin accounted for 92% of the total variable cost of its sales of PET bottles and preforms.

Marketing

We and TCCC jointly promote and market Coca-Cola soft drinks in our franchise territories, in accordance with the terms of our respective Bottler Agreements. During 2011, we paid approximately 50% of the advertising and promotional expenses incurred by TCCC in our franchise territories. Nearly all media advertising and promotional materials for Coca-Cola soft drinks are produced and distributed by TCCC . See "Item 4. Information on the Company —Bottler Agreements."

Channel Marketing. In order to provide more dynamic and specialized marketing of our products, our strategy is to divide our market into distribution channels. Our principal channels are small retailers, "on-premise" consumption such as restaurants and bars, supermarkets and third party distributors. Presence in these channels entails a comprehensive and detailed analysis of the purchasing patterns and preferences of various groups of soft drink consumers in each type of location or distribution channel. In response to this analysis, we seek to tailor our product, price, packaging and distribution strategies to meet the particular needs of and exploit the potential of each channel.

We believe that the implementation of our channel marketing strategy also enables us to respond to competitive initiatives with channel-specific responses as opposed to market-wide responses. This focused response capability isolates the effects of competitive pressure in a specific channel, thereby avoiding costlier market-wide responses. Our channel marketing activities are facilitated by our management information systems. We have invested significantly in creating such systems, including providing hand-held computer and data gathering equipment to support the gathering of product, consumer and delivery information required to implement our channel marketing strategies effectively for most of our sales routes in Chile, Brazil and Argentina. We will continue investing to increase pre-sale coverage in our territories.

Our consolidated total advertising expenditures in 2011 were Ch$31,892 million.

Advertising

We advertise in all major communications media. We focus our advertising efforts on increasing brand recognition by consumers and improving our customer relations. National advertising campaigns are designed and proposed by TCCC ‘s local affiliates, with our input at the local or regional level.

2. Other Beverages

Chile. In addition to Coca-Cola soft drinks, through Vital Jugos S.A., we produce and sell juices, other fruit flavored beverages, ready-to-drink tea and sports drinks, and through Vital Aguas S.A. we produce and sell mineral water and purified water. Juices are produced and sold under the brands Andina Frut (fruit juices), Andina Nectar (fruit nectars), Kapo (fantasy drink), Aquarius (flavored water) Nestea (ready-to-drink tea), Hugo (dairy product with fruit juice) and Powerade (isotonic).Waters are produced and sold under the brands Vital (mineral water) in the following versions: with gas, without gas and Soft Gas; Dasani (purified water) in the following versions: with gas, without gas, and flavored; Benedictino (purified water) in the following versions: with gas and without gas.

Brazil. We distribute beer under the Amstel, Birra Moretti, Dos Equis (XX), Edelweiss, Heineken, Kaiser, Murphys, Sol, Xingu and Bavária labels. We also distribute water under the labels Crystal and Aquarius Fresh and sell and distribute ready-to-drink juices under the labels Del Valle Frut, Del Valle Mais, and Kapo; milk and cocoa-based beverages under the Kapo Chocolate brand, energy drinks under the brand names Burn and Gladiator, isotonics under i9 and Powerade brand names and Chá Leão, Leão Ice Tea, Matte Leão, and Guaraná Leão ready-to-drink teas.

Argentina. We produce and distribute ready-to-drink juices under the Cepita brand name. We also produce and sell water under the brands Dasani (purified water) and Aquarius (flavored water), as well as Powerade in the isotonic segment.

Waters and Juices in Chile

Sales. In 2011, net sales of waters and juices in Chile represented 16.2% of our consolidated net sales. On a consolidated basis, sales of waters and juices in Chile were Ch$49,512 million.

The following table sets forth for the periods indicated, Vital Jugos’ net sales and sales by volume of unit cases of waters and juices:

Waters and Juices Sales by Net Sales and Volume(1)

	Year-ended December 31,			
	2011		2010	
	In million Ch$ and million UCs			
	Ch$	UCs	Ch$	UCs
Andina Frut an Andina Néctar	29,222	17	24,637	14.5
Kapo	6,629	4.6	5,578	3.9
Powerade	2,545	1.0	1,713	0.7
Nestea	951	0.5	689	0.3
Fruitopia, Hugo and Aquarius	388	0.2	432	0.2
Dasani (purified and flavored water)	450	0.4	535	0.6
Benedictino (purified water)	2,225	4.0	2,000	3.5
Vital (mineral water)	9,342	14.0	8,150	13.3
Total(2)	**51,752**	**41.6**	**43,734**	**37.0**

(1)Reflects the sale of Vital Jugos and Vital Aguas to bottlers of The Coca-Cola Company.
(2)Includes sales to related companies which are eliminated upon consolidation.

Marketing. Marketing and promotional programs, including television, radio and print advertising, point-of-sale advertising, sales promotions and entertainment are developed by TCCC for all Vital Jugos' and Vital Aguas' products.

Customers and Distribution. Juices and waters throughout Chile are distributed by means of distribution agreements between TCCC and the Coca-Cola bottlers in Chile. In 2011, Andina distributed approximately 52% of the products of Vital Jugos and Vital Aguas , and the other two Coca-Cola bottlers in Chile distributed an aggregate of 48%. Each Coca-Cola bottler in Chile distributes the products of Vital Jugos and Vital Aguas in its respective franchise territory. Under Vital Jugos' and Vital Aguas' distribution agreements, each bottler has the exclusive right to distribute waters and juices in its territory.

Our management believes that our distribution arrangements for waters and juices provide an effective means of distributing those products throughout Chile using the extensive distribution system of the Coca-Cola bottlers. We have a good working relationship with the Coca-Cola bottlers that distribute waters and juices. If any Coca-Cola bottler were to cease distribution, our management believes it could arrange alternative distribution arrangements, but the transition to the new arrangements could involve significant delays in distributing products and would involve additional costs and an initial reduction in sales.

Competition. Vital Aguas' principal competitor regarding water is CCU with the Cachantún brand. Additionally there are low priced brands (B-brands) in the water segment in Chile. Vital Jugos S.A.'s principal competitors regarding juices are, Watt's-CCU, Corpora Tres Montes and three of the leading dairy producers in Chile: Soprole S.A., Nestlé Chile S.A. and Loncoleche S.A., who is also a subsidiary of Watt's S.A. During 2006, the largest Chilean brewery CCU acquires from Watts S.A. a 50% ownership interest of the juice brands in Chile, creating a joint venture for the management of this business area. The Chilean market for fruit-flavored beverages and waters also includes low-cost, lower-quality fruit juice concentrates and artificially flavored powdered beverage mixes. We do not consider these products to compete with our waters and juices business because we believe that these products are of lower quality and value.

Based on reports by A.C. Nielsen, we estimate that in 2011, our market share within our Chilean franchise territories reached 35.9% for the juice segment and 339.5% for waters.

Raw material for Juices. The principal raw materials used by Vital Jugos S.A. in the production of juices and as a percentage of total raw material costs, are sweeteners 15.3%, fruit pulp and juices 12.3%, flavors, aromas and citric acid 17.3%, containers 24.6% and wrapping material 5.1%, all of which during 2011 accounted for 80.7% of total costs for sales of juice, including packaging.

Raw materials for Waters: The principal raw materials used by Vital Aguas S.A. in the production of mineral water and purified unflavored and purified flavored water and as a percentage of total raw material costs are: Non-returnable PET packaging 42.1%, mineral water, flavor, aromas, sweeteners and citric acid 23.9%, packaging material 5.2%, caps 5.3% and carbonation 0.8%, all of which during 2011 accounted for 81.9% of total costs for sales of water, including packaging.

Beer, Juices and Waters in Brazil

Sales. In 2011, net sales of beer, juices, waters, tea based beverages, isotonics and energy drinks in Brazil were Ch$80,089 million, representing 8.1% of our consolidated net sales.

Andina Brazil uses its distribution system to distribute beer in the Brazilian territory. Andina Brazil started distributing beer in the 1980s as a result of the acquisition of Kaiser by a consortium of Coca-Cola bottlers (including Andina Brazil) in Brazil. In March 2002, the Canadian brewing company Molson Inc. acquired Cervejarias Kaiser S.A. ("Kaiser"). In 2006, Femsa acquired from Molson the controlling ownership interest over Kaiser y later in 2010 Heineken acquired the controlling interest of Femsa's beer operation. Andina Brazil buys beer from Heineken at a price determined by Heineken and sells it to its customers with a fixed margin. In the case of certain discount sales that have been approved by Heineken, Heineken shares between 50% and 100% of the cost of such discounts. In 2011, Andina Brazil's net sales of beer were Ch$17,913 million, of which Bavaria brand beer accounted for 52.4%, Heineken for 23.0%, Kaiser for 17.2%, Sol for 6.0%, y Xingú for 1.1%, and all the other brands accounted for 0.3% of net sales.

Competition. In the beer sector, Andina Brazil's main competitor is Ambev that during 20111 had a very dominant position in the Brazilian market.

The Distribution Agreements. TCCC and the Brazilian Association of Coca-Cola Manufacturers entered into an agreement regarding the distribution through the Coca-Cola System of beer produced and imported by Heineken. The agreements were signed May 30, 2003, and are renewable for a period of 20 years.

Andina Brazil is not allowed to produce, bottle, sell or obtain any interest in any bottled or tap beer under any other label or in any bottle or packaging that could be confused with brand beers, except as may be mutually agreed in writing between Andina Brazil and Heineken.

Under the terms of the distribution agreement, Heineken undertakes all responsibility for planning and managing advertising, marketing and promotional activities related to beer. Andina Brazil, however, is free to undertake marketing or promotional activities with Heineken´s prior approval. The parties have agreed to assume joint responsibility for the costs of certain promotional activities (radio or television) and for certain outdoor events which take place in the Rio de Janeiro and Espirito Santo region. Andina Brazil has agreed to devote at least 2.6% of its sales net of taxes of Heineken products to such promotional activities or events.

Andina Brazil is prohibited from assigning, transferring, or otherwise encumbering the Heineken distribution agreement or any interest therein for the benefit of third parties without prior written consent from Heineken may terminate the distribution agreement immediately in the event that Andina Brazil (i) declares bankruptcy, is made a party to bankruptcy proceedings or is placed under judicial administration, (ii) is dissolved or liquidated or its assets are nationalized, expropriated, attached or intervened, (iii) undergoes a change of business or of control, (iv) ceases to be a franchisee of TCCC or (v) causes a material breach of the Heineken distribution agreement. In addition, Heineken may terminate the Heineken distribution agreement one year after delivery of notice that Andina Brazil is not complying with the terms thereof. Andina Brazil may terminate the Heineken distribution agreement in the event of a material breach thereof by Heineken.

3. PET Packaging

Overview and Background

We produce PET bottles in both returnable and non-returnable formats. As a returnable packaging material, PET has advantages compared to glass because it is lightweight, difficult to break, transparent and easily recyclable. On average, returnable PET bottles can be used up to 12 times. Non-returnable PET bottles also are produced in various sizes and are used by a variety of soft drink producers and, in Chile, by producers of edible oil products, wine and personal hygiene products.

In 2011, the Edasa Packaging Division was one of the largest manufacturers of PET products in Argentina. In 2011, Andina Brazil purchased its PET preforms mainly from Brasalpla and also from Amcor and Owens-Illinois.

Sales. In 2011, the Edasa Packaging Division had net sales of Ch$23,985 million with sales to Edasa Soft Drinks Division amounting to Ch$16,130 million. The Edasa Packaging Division also sold PET bottles to third parties accounting for approximately Ch$7,855 million.

Competition. We are suppliers of returnable and non-returnable PET bottles for Coca-Cola bottlers in Argentina and Chile. According to the pre-existing agreements between TCCC and the other Coca-Cola bottlers within South America, we must obtain the consent and assistance of TCCC to expand our sales of returnable PET bottles to said bottlers.

In Chile, we do not have any principal competitors in the non—returnable PET bottles market for oils, wines and personal hygiene. There are a few producers of non-returnable PET bottles in Chile who are significantly smaller than CMF. Plasco S.A., the second Chilean manufacturer of non-returnable PET bottles, does not compete with us because it is the exclusive supplier of PET bottles for ECUSA. (The Chilean Pepsi bottler).

In Argentina, we compete principally with Alpla S.A. and Amcor. The Edasa Packaging Division is the supplier of returnable PET bottles to all Coca-Cola bottlers in Argentina.

4. Patents and Licenses

The Company has entered into Bottler Agreements with TCCC by which it has the license to produce and distribute Coca-Cola brand products within its operating franchise territories in Chile, Brazil and Argentina. The Company's operations are highly dependent on maintaining and renewing the Bottler Agreements which provide for the production and distribution of Coca-Cola brand products.

Bottler Agreements

The Bottler Agreements are international standard contracts TCCC enters into with bottlers outside the United States for the sale of concentrates and beverage basis for certain Coca-Cola soft drinks and non-soft drink beverages.

Bottler Agreements are renewable upon request by the bottler and at the sole discretion of TCCC. We cannot assure you that the Bottler Agreements will be renewed upon their expiration, and even if they are renewed.

The Bottler Agreements provide that we will purchase our entire requirement of concentrates and beverage basis for Coca-Cola soft drinks and other Coca-Cola beverages from The Coca-Cola Company and other authorized suppliers. Although under the Bottler Agreements TCCC, in its sole discretion, may set the price of concentrates and beverage basis, among other terms, we set the price of products sold to retailers at our discretion, subject only to certain price restraints.

We are the sole producer of Coca-Cola soft drinks and other Coca-Cola beverages in our franchise territories. Although this right is not exclusive, TCCC has never authorized any other entity to produce or distribute Coca-Cola soft drinks or other Coca-Cola beverages in such territories, although we cannot assure you that in the future it will not do so. In the case of post-mix soft drinks, the Bottler Agreements explicitly establish such non-exclusive rights.

The Bottler Agreements include an acknowledgment by us that TCCC is the sole owner of the trademarks that identify the Coca-Cola soft drinks and other Coca-Cola beverages and of any secret formula used in concentrates.

All distribution must be in authorized containers. TCCC has the right to approve, at its sole discretion, any and all kinds of packages and containers for beverages, including their size, shape and any of their attributes. TCCC has the authority at its sole discretion to redesign or discontinue any package of any of the Coca-Cola products, subject to certain limitations, so long as Coca-Cola soft drinks and other Coca-Cola beverages are not all discontinued at the same time. We are prohibited from producing or handling any other beverage products, other than those of TCCC or other products or packages that would imitate, infringe or cause confusion with the products, trade dress, containers or trademarks of TCCC, or from acquiring or holding an interest in a party that engages in such activities. The Bottler Agreements also impose restrictions concerning the use of certain trademarks, authorized containers, packaging and labeling of TCCC and prohibit bottlers from distributing Coca-Cola soft drinks or other Coca-Cola beverages outside their designated territories.

The Bottler Agreements require us to maintain adequate production and distribution facilities; inventories of bottles, caps, boxes, cartons and other exterior packaging or materials; to undertake adequate quality control measures prescribed by TCCC; to develop, stimulate, and fully satisfy the demand for Coca-Cola soft drinks and other Coca-Cola beverages and to use all approved means, and spend such funds on advertising and other forms of marketing, as may be reasonably required to meet that objective; and to maintain such sound financial capacity as may be reasonably necessary to assure performance by us and our affiliates of our obligations to TCCC. All Bottler Agreements require us annually to submit our business plans for such franchise territories to TCCC, including without limitation, marketing, management and promotional and advertising plans for the following year.

TCCC has no obligation to contribute to our expenditures derived from advertising and marketing, but it may, at its discretion, contribute to such expenditures and undertake independent advertising and marketing activities, as well as cooperative advertising and sales promotion that would require our cooperation and support. In each of the franchise territories, TCCC has been contributing approximately 50% of advertising and marketing expenses, but no assurances can be given that equivalent contributions will be made in the future.

Each bottler is prohibited from, directly or indirectly, assigning, transferring or pledging its Bottler Agreement, or any interest therein, whether voluntarily, involuntarily or by operation of law, without the consent of TCCC, and each Bottler

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Agreement is subject to termination by TCCC in the event of default by us. Moreover, the bottler may not undergo a material change of ownership or control without the consent of TCCC.

TCCC may terminate a Bottler Agreement immediately, by written notice to the bottler, in the event that, inter alia, (i) the bottler suspends payments to creditors, declares bankruptcy, is declared bankrupt, is expropriated or nationalized, is liquidated, dissolved, changes its legal structure, or pledges or mortgages its assets; (ii) the bottler does not comply with instructions and standards established by TCCC relating to the production of its authorized soft drink products; (iii) the bottler ceases to be controlled by its controlling shareholders; or (iv) the terms of the Bottler Agreement come to violate applicable law.

Either party to any Bottler Agreement may, with 60 days' notice thereof to the other party, terminate the Bottler Agreement in the event of non-compliance by the other party with the terms thereof so long as the party in non-compliance has not remedied such non-compliance during this period. In addition, if a bottler does not wish to pay the required price for concentrate for any Coca-Cola products, it must notify TCCC within 30 days of receipt of The Coca-Cola Company's new prices. In the case of any Coca-Cola soft drink or other Coca-Cola beverages other than Coca-Cola concentrate, the franchise regarding such product shall be deemed automatically canceled three months after TCCC' s receipt of the bottler's notice of refusal. In the case of Coca-Cola concentrate, the Bottler Agreements shall be deemed terminated three months after TCCC's receipt of the bottler's notice of refusal. TCCC may also terminate the Bottler Agreements if the bottler or any individual or legal entity that controls, owns a majority share in or directly or indirectly influences the management of the bottler, engages in the production of any non-Coca-Cola beverage, whether through direct ownership of such operations or through control or administration thereof, provided that, upon request, the bottler shall be given six months to remedy such situation.

Chile Bottler Agreements: (i) the Bottler Agreement entered into between Andina and TCCC celebrated on January 1, 2008 for a 5-year term until December 31, 2012; (ii) on December 22, 2005, Vital S.A. and The Coca-Cola Company entered into a Juice Bottler Agreement by which The Coca-Cola Company authorized Vital S.A. to produce, prepare and bottle in packaging previously approved by TCCC the following brands: Andina Frut Andina Nectar, Kapo, Nestea, Fruitopia and Powerade. The Agreement will expire on December 31, 2015, and sets forth that Andina, and the other two Chilean Coca-Cola bottlers, Embonor and Polar, have the right to purchase products from Vital S.A. as well as produce, package, and sell these products at their respective production facilities; (iii) on December 22, 2005, Vital Aguas S.A. and TCCC entered into a Water Manufacturing and Packaging Agreement for the preparation and packaging of beverages that will be in effect until December 31, 2015, regarding the brands Vital, Chanqueahue, Vital de Chanqueahue, Benedictino, Dasani and Aquarius.

Brazil—Bottler Agreement: the Bottler Agreement between Andina Brazil and TCCC will expire on October 4, 2013.

Argentina —Bottler Agreement: (i) the Bottler Agreement, between Edasa and TCCC expired in February of 2012, and was renewed for another 5 years; and (ii) with respect to the Argentine territory the Juice and Water Bottler Agreement is currently being negotiated.

PET Agreements

On June 29, 2001, we and Cristalerías de Chile S.A. signed a series of contracts forming a joint venture for the development of a PET production facility in Chile through the formation of Envases CMF S.A. We contributed the assets necessary to further the development of the joint venture. Our subsidiary Andina Inversiones Societarias S.A. holds a 50% stake in the joint venture while Cristalerías de Chile S.A. retains the other 50% interest. On January 27, 2012, Coca-Cola Embonor through its subsidiary, Embonor Empaques S.A. acquired Cristalerías de Chile's stake equivalente to a 50% ownership interest in Envases CMF.

5. Regulation

General

We are subject to the full range of government regulations generally applicable to companies engaged in business in our franchise territories, including but not limited to labor, social security, public health, consumer protection, environmental, sanitation, employee safety, securities and anti-trust laws. Currently, no material legal or administrative proceedings are pending against us with respect to any regulatory matter in any of our franchise territories except those listed as such in "Item

8. Financial Information—Legal Proceedings.” We believe, to the best of our knowledge that we are in compliance in all material respects with applicable statutory and administrative regulations relating to our business in each of our franchise territories.

Chile. There are no special licenses or permits required to manufacture and distribute soft drinks and juices in the Chilean territory. Food and beverage producers in Chile, however, must obtain authorization from (and their activities are subject to supervision by) the Chilean Environmental Protection Services (*Servicio Sanitario Metropolitano del Ambiente*), which inspects production facilities and takes liquid samples for analysis on a regular basis. Our permit from the Chilean Environmental Protection Authority was obtained on January 8, 1992 and is in effect indefinitely. In addition, production and distribution of mineral water is subject to special regulations such that mineral water may be drawn only from sources designated for such purpose by presidential decree. Certification of compliance with such decree is provided by the National Health Service, the Undersecretary’s Office of the Ministry of Health (*Servicio de Salud Metropolitano del Ambiente*). Our mineral water production facilities have received the required certification.

Brazil. Labor laws, in addition to mandating employee benefits, include regulations to ensure sanitary and safe working conditions in our production facilities located in Brazil. Food and beverage producers in Brazil must register their products with and receive a ten-year permit from the Ministry of Agriculture and Provisioning and the Ministry of Health, which oversees diet products. Our permits from said Ministries are valid and in force for a term of ten years for each product we produce. Although we cannot assure you that they will be renewed, we have not experienced any material difficulties in renewing our permits in the past nor do we expect to experience any difficulties in the future. The Ministries do not regularly inspect facilities but they do send inspectors to investigate any complaints it receives.

Argentina. While most laws applicable to Edasa are enforced at the federal level, some, such as sanitary and environmental regulations, are primarily enforced by provincial and municipal governments. There are no licenses or permits required for the manufacture or distribution of soft drinks in the Argentine territory. However, our production facilities are subject to registration with federal and provincial authorities and to supervision by municipal health agencies, which certify compliance with applicable laws.

Environmental Matters

It is our policy to conduct environmentally sound operations on a basis consistent with applicable laws and with criteria established by TCCC. Although regulation of matters relating to the protection of the environment is not as well-developed in the franchise territories as in the United States and other industrialized countries, we expect that additional laws and regulations may be enacted in the future with respect to environmental matters that may impose additional restrictions on us which could materially or adversely affect our results of operations in the future. There are no material legal or administrative proceedings pending against us in any of the franchise territories with respect to environmental matters, and we believe that, to the best of our knowledge, we are in compliance in all material respects with all environmental regulations applicable to us.

Chile. The Chilean government has several regulations governing environmental matters relating to our operations. For instance, Law 3,133 regulated discharge of residual industrial waste, and the Sanitary Code contains provisions relating to liquid and solid waste disposal, basic environmental conditions in the workplace, and the protection of water for human consumption. In 1993, the Chilean government published regulations that updated the provisions of Law 3,133, which was finally repealed in 2002 by Law 19,821, which also reaffirmed the control of the Superintendence of Sanitary Services over industrial liquid waste These regulations place limits on the disposal of harmful substances which may be hazardous to water used in irrigation or water for consumption by people or animals without prior authorization from the Ministry of Public Works and a favorable determination from the Superintendence of Sanitary Services. The regulations also mandate governmental approval of any systems to treat or discharge liquid industrial waste (regulated by Supreme Decree 90 for discharges to open courses and by Supreme Decree 609 for discharges to sewage collectors, amended during 2000 by Supreme Decree 3592). In 1996, we installed a liquid industrial waste treatment plant to comply with the Chilean liquid waste emissions standards, in effect since 1998. As of May of 2006, the first stages of liquid industrial waste treatment are done at our facilities and then it is completed at La Farfana. Currently there is an outsourcing agreement with the company Ecoriles for the treatment of liquid industrial waste.

Law 19,300, passed in March 1994, addresses general environmental concerns that may be applicable to our activities and which, if applicable, would require us to hire independent experts to conduct environmental impact studies or declarations of any future projects or activities that could be impacted by the regulations of Law 19,300. This Law creates the National Commission on the Environment, which is supported by regional commissions to supervise environmental impact studies and declarations for all new projects, to enforce the regulations of Law 19,300 and to grant discretionary power to regulators. In January 2010 the law suffered an organic amendment with the enactment publication of Law 20,417, which created a new environmental institution, contemplating the creation of the Ministry of Environment, Environmental Assessment Services and the Superintendence of Environmental Protection. There can be no assurance that future legislative regulatory developments will not impose further restrictions that would be material to our operations in Chile. We believe that, to the best of our knowledge we are in compliance with all material aspects of the Chilean environmental regulations.

In 2006 TCCC issued its audit regarding Certifications of Quality, Security and Environment Systems known as PHASE 3, and we have become the first production facility in Chile to receive this certification with the maximum qualifications.. These certifications were revalidated according to the new KORE (Coca-Cola Requirements) dispositions beginning August 2010.

During 2005, our production facility in Chile , became the first plant in Latin America to achieve the four Quality System Certifications, Food Safety and Quality Management System (HACCP-Hazard Analysis and Critical Control Point), Environment (ISO 14001:2004), Security and Occupational Health (OHSAS 18001:1999) and Quality (ISO 9001:2000). Also in 2005 it achieves the National Award for Quality from Chilecalidad. In September of 2007 and 2010 these certifications were extended for another 3 years. Additionally during December 2010 we achieved certification for Food Safety Management (ISO 2200)

During 2011, with the new Renca Bottling facility beginning operations, the geographical spread of our integrated management system was expanded, in a first stage, certifying, the Quality Management System (ISO 9000) and Food Safety (ISO 22000). The respective certifications for Environment (ISO 14000) and Security and Occupational Health (ISO 18000) remain pending for 2012.

The distribution centers also count with the following certifications: Food Safety and Quality Management System (HACCP) since 2007 and Security and Occupational Health (OHSAS 18001:2008) since June 2009, both valid for a period of 3 years. As part of the logistics management, distribution centers were audited during the first half of 2011, maintaining the aforementioned systems certifications.

In 2003, the production facilities of Rengo and Vital were certified under the *Codex Alimentarius* and the Chilean regulation 2861:2004 for their production processes. These certifications were renewed in 2006. As of December 31, 2011 these production facilities held the following certifications: (i) Food Safety and Quality Management (HACCP); (ii) Quality Management (ISO 9001); (iii) Environment Management (ISO 14001); (iv) Security and Occupational Health (ISO 18000); and (v) Food Safety Management under ISO 22000 regulations and Best Practices of Food Manufacturing under PAS 220.

Brazil. Our Brazilian operations are subject to several environmental laws, none of which currently impose substantial restrictions on us. The Brazilian Constitution establishes the broad guidelines for the new treatment of environmental concerns, dedicating an entire chapter (Chapter VI, Article 225) to the protection of the environment, along with several other articles related to the environmental law and urban law. Environmental issues are regulated at the federal, state and municipal levels. The Brazilian Constitution empowers the public authorities to develop regulations designed to preserve and restore the environment and to control industrial processes that affect human life. Violations of these regulations are subject to criminal, civil and administrative penalties.

In addition, Law No. 6,938 of 1981, known as the Brazilian Environmental Policy, introduced an entirely different environmental regime by which no environmental damage is exempt from coverage. The legislation is based on the idea that even a polluting waste tolerated under the established standards could cause environmental damage, and therefore subjects the party causing such damage to payment of an indemnity. Moreover, as mentioned above, activities damaging to the environment lead to criminal and administrative penalties, provided for in Law 9,605 of 1998 or the Environmental Crimes Act.

Numerous governmental bodies have jurisdiction over environmental matters. At the federal level, the *Ministério do Meio Ambiente* (Brazilian Ministry of Environment) and the *Conselho Nacional do Meio-Ambiente* or CONAMA dictate

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environmental policy, including, without limitation, initiating environmental improvement projects, establishing a system of fines and administrative penalties and reaching agreements on environmental matters with offending industries. The *Instituto Brasileiro do Meio Ambiente e dos Recursos Naturais Renováveis* or IBAMA enforces environmental regulations set by CONAMA. In addition, various federal authorities have jurisdiction over specific industrial sectors, but none of these currently affect us. Finally, various state and local authorities regulate environmental matters in the Brazilian territory including the *Fundação Estadual de Engenharia do Meio-Ambiente* or FEEMA, the principal environmental authority in Rio de Janeiro and the *Instituto Estadual de Medio Ambiente e Recursos Hídricos* or IEMA, the principal environmental authority in Espírito Santo. FEEMA and IEMA periodically inspect industrial sites and test liquid waste for contamination. We believe to the best of our knowledge that we are in compliance in all material respects with the standards established by all the governmental authorities applicable to our operations in Brazil. We cannot assure you, however, that additional regulations will not be enacted in the future, and that such restrictions would not have a material adverse effect on our results or operations. The operation in Brazil as that of Chile counts with all certifications mentioned in terms of Quality, Environment and Occupational Health and Safety and those associated with Food Safety and Best Practices in Food Processing.

Argentina. The Argentine Constitution, as amended in 1994, allows any individual who believes a third party may be damaging the environment to initiate an action against it. No such action has ever been instituted against us, but we cannot assure you that an action will not be brought in the future. Though provincial governments have primary regulatory authority over environmental matters, municipal and federal authorities are also competent to enact decrees and laws on environmental issues. Thus, municipalities are competent on local environmental matters, such as waste management, while the federal government regulates inter-province environmental issues, such as transport of hazardous waste or environmental matters covered by international treaties.

In 2002, the National Congress approved federal Law No. 25,612, *Gestión Integral de Residuos Industriales y de Actividades de Servicios* (Integral Management of Industrial Residues and Service Activities) and Law No. 25,675, *Ley General del Ambiente* (General Environmental Law) establishing minimum guidelines for the protection of the sustainable environmental management and the protection of biodiversity, applicable throughout Argentina. The law establishes the purposes, principles and instruments of the national environmental policy, the concept of "minimum guidelines," the judicial competence and the rules governing environmental education and information, citizens' participation and self-management, among other provisions.

Provincial governments within the Argentine territory have enacted laws establishing a framework for the preservation of the environment. Provincial laws that are applicable to industrial facilities at EDASA, among others are Law No. 7,343 of the Province of Córdoba, and Law No. 11,459 of the Province of Buenos Aires. These laws contain principles on environmental policy and management, as well as rules on environmental impact assessment. They also give certain agencies competence in environmental issues.

Almost all provinces as well as many municipalities have established rules regarding the use of water, the sewage system and the disposal of liquids into underground flows of water or rivers. There are currently no claims pending against us on this matter. The violation of these rules usually results in fines.

During October of 2009, the National Award for Quality Foundation that promotes excellence in the development of processes and products in that country, granted us the 2009 National Award for Quality, which was handed by the president of Argentina, Cristina Fernandez de Kirchner.

In the operation in Argentina we maintain all certifications mentioned for Chile in addition to the Excellence Level Award of TCCC achieved in December 2010 by EDASA, due to the constant importance given to the excellence in the development of processes, products and activities.

Another international recognition was the obtaining achieving the Iberoamerican Quality Award for Plants from FUNDIBEQ, organization attached to the Ibero-American Summit of Heads of State and Government of the Iberoamerican Secretary General's office (SEGIB).

In 2011 EDASA was recognized by the Ministry of Industry, Trade and Labor of the province of Córdoba, with the "Award for Eco efficiency", for its efforts in reducing the carbon footprint in its operations during 2010. Another important award during of 2011 has been the "Live Positively" Cup awarded by the Latin America South Division of TCCC, who governed by the concept of sustainable development in our "social license" to operate, conducted a Ranking of bottlers

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according to performance in sustainability based on 5 pillars: Work environment; Water; Energy; Sustainable packaging; Wellness and Community.

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C. Organizational Structure

The following table presents information relating to the main activity of our subsidiaries and our direct and indirect ownership interest in them as of the date of preparation of this document:

Subsidiary	Activity	Country of Incorporation	Percentage Ownership
Embotelladora Andina Chile S.A.(2)	Manufacture, bottle, distribute, and commercialize non-alcoholic beverages.	Chile	99.99
Vital Jugos S.A.	Manufacture, distribute, and commercialize all kinds of food products, juices, and beverages.	Chile	57.00
Vital Aguas S.A.	Manufacture, distribute, and commercialize all kinds of waters and beverages in general.	Chile	56.50
Servicios Multivending Ltda.	Commercialize products through equipment and vending machines.	Chile	99.99
Transportes Andina Refrescos Ltda.	Provide administration services and management of domestic and foreign ground transportation.	Chile	99.99
Envases CMF S.A.	Manufacture, acquire and commercialize all types of containers and packaging; and provide bottling services.	Chile	50.00
Envases Central S.A.	Manufacture and packaging of all kinds of beverages, and commercialize all kinds of packaging.	Chile	49.91
Andina Bottling Investments S.A.	Manufacture, bottle and commercialize beverages and food in general. Invest in other companies.	Chile	99.99
Andina Bottling Investments Dos S.A.	Carryout exclusively foreign permanent investments or lease all kinds of real estate.	Chile	99.99
Andina Inversiones Societarias S.A.	Invest in all types of companies and commercialize food products in general.	Chile	99.99
Rio de Janeiro Refrescos Ltda.	Manufacture and commercialize beverages in general, powdered juices and other related semi-processed products.	Brazil	99.99
Holdfab 2 Participações Ltda.	Manufacture, bottle and commercialize beverages and food in general, and beverage concentrate. Invest in other companies	Brazil	36.40
Sistema de Alimentos e Bebidas do Brasil Ltda..	Manufacture, bottle and commercialize beverages and food in general. Invest in other companies.	Brazil	5.74
Leao Junior S.A.	Manufacture, bottle and commercialize beverages and food in general. Invest in other companies.	Brazil	18.20
Kaik Participações Ltda.	Invest in other companies with own resources.	Brazil	11.32
Embotelladora del Atlántico S.A.(3)	Manufacture, bottle, distribute, and commercialize non-alcoholic beverages. Design, produce, and commercialize plastic products mainly packaging.	Argentina	99.98
Abisa Corp.	Invest in financial instruments.	British Virgin Islands	99.99

(2) At the Extraordinary Shareholders' Meeting held November 22, 2011, the shareholders of Embotelladora Andina Chile S.A. agreed to increase the capital of the latter from Ch$10,000,000 -divided into 10,000 shares- to Ch$4,778,206,076 -divided into 4,778,206 shares-. It was agreed that the capital increase was to be subscribed and paid by the shareholder Embotelladora Andina S.A. through the contribution of movable goods and real estate property, which are identified in the minutes of the Shareholders' Meeting. The Shareholders' Meeting was reduced to public document on November 28, 2011, granted by the notary public of Santiago, Cosme Gomila.

(3) At the Extraordinary General Shareholders' Meeting held November 1st 2011, Embotelladora del Atlántico S.A. decided to divide part of its equity to form a new company, Andina Empaques Argentina S.A., for the purpose of developing the design, manufacture and sale of all kinds of plastic products or products derived from the industry for plastics, primarily in the packaging division. Accounting and tax effects will begin on January 1st 2012.

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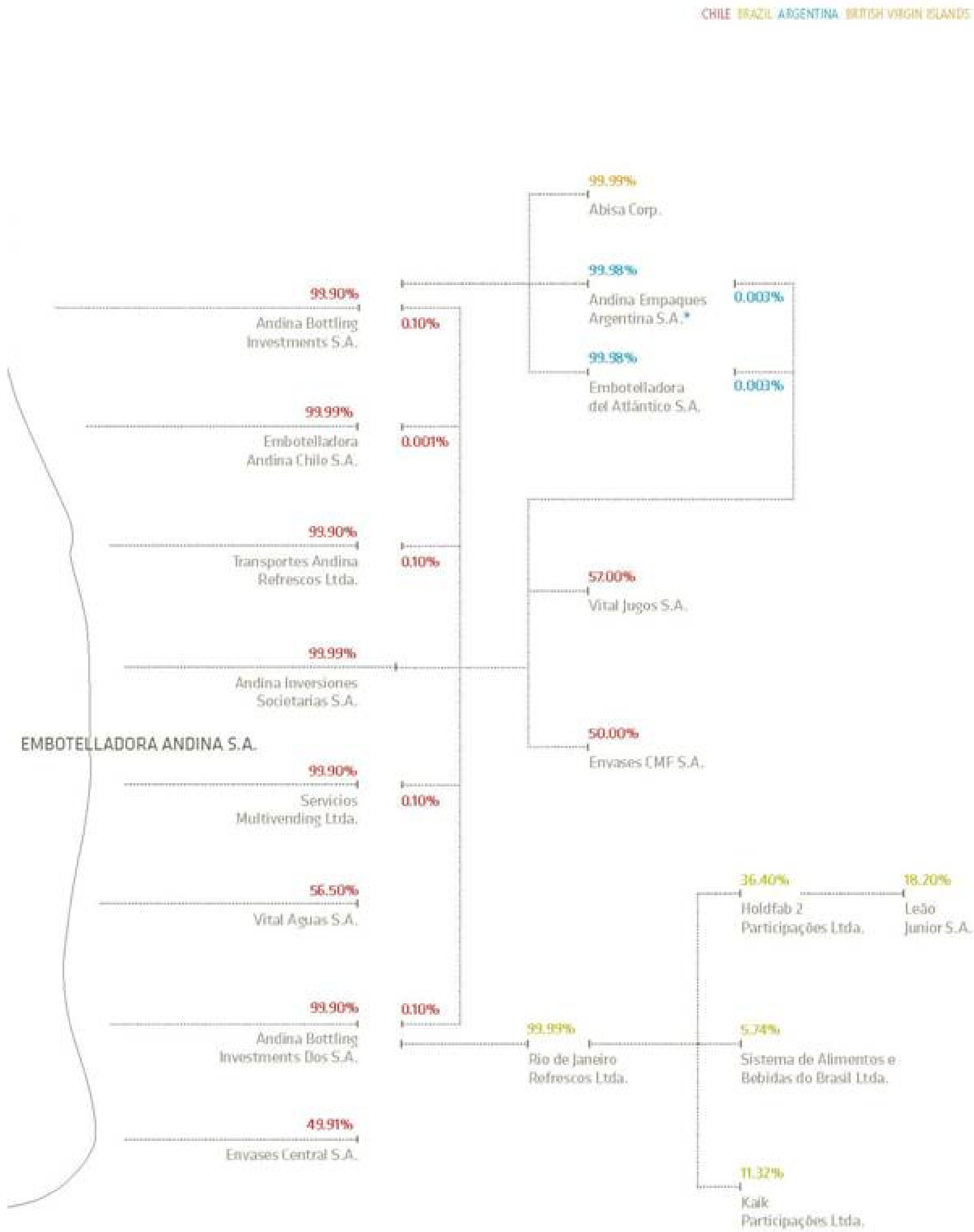
The following chart presents in summary form the Company's direct and indirect ownership participations in subsidiaries and affiliates:



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D. Property, Plants and Equipment

We maintain production plants in each of the principal population centers that comprise the franchise territories. In addition, we maintain distribution centers and administrative offices in each of the franchise territories. The following table sets forth in square meters, our principal properties, and facilities in each of the franchise territories:

Location	Main Use	Surface (Square Meters)
CHILE		
Embotelladora Andina S.A.		
Región Metropolitana	Offices / Production of Soft Drinks / Distribution Centers / Warehouses	494,386
Rancagua	Warehouses	25,920
San Antonio	Warehouses	19,809
Vital Jugos S.A.		
Región Metropolitana	Offices / Production of Juices	40,000
Vital Aguas S.A.		
Rengo	Production of Waters	12,375
Envases CMF S.A.		
Región Metropolitana	Offices / Production of PET bottles and preforms	74,001
Envases Central S.A.		
Región Metropolitana	Offices / Production of Soft Drinks	48,204
BRAZIL		
Rio de Janeiro Refrescos Ltda.		
Jacarepaguá	Offices / Production of Soft Drinks / Distribution Centers / Warehouses	249,470
Vitória	Offices / Production of Soft Drinks / Warehouses	93,320
Nova Iguaçu	Warehouses	82,618
Bangu	Distribution Center	44,389
Campos	Distribution Center	42,370
Cachoeira do Itapemirim	Cross Docking	8,000
São Cristovao	Distribution Center	4,500
São Goncalo	Distribution Center	10,880
Cabo Frio	Distribution Center	1,985
São Pedro da Aldeia	Distribution Center	10,139
ARGENTINA		
Embotelladora del Atlántico S.A.		
Córdoba	Offices / Production of Soft Drinks / Distribution Centers / Warehouses	1,009,516
Santo Tomé	Offices / Warehouses	89,774
San Juan	Offices / Warehouses	48,036
Mendoza	Offices / Warehouses	41,579
Rosario	Offices / Warehouses	28,070
Río IV	Offices / Warehouses	7,482
San Luis	Offices / Warehouses	6,069
Buenos Aires	Production of PET bottles and preforms	27,043

We have full ownership of our properties and they are not subject to material encumbrances.

Capacity by Line of Business

Set forth below is certain information concerning the installed capacity and approximate average utilization of our production facilities, by line of business.

	Year Ended December 31,					
	2011			2010		
	Annual Total Installed Capacity	Average Capacity Utilization (%)	Capacity Utilization During Peak Month (%)	Annual Total Installed Capacity	Average Capacity Utilization (%)	Capacity Utilization During Peak Month (%)
Soft drinks (millions of UCs):						
Chile	157	82	96	157	79	88
Brazil	272	68	79	222	81	99
Argentina	169	60	75	141	65	83
Other beverages (millions of UCs)						
Chile	49	80	98	49	77	97
Argentina	54	25	47	4	40	75
PET packaging (millions of bottles)	750	92	100	639	93	100

Total installed annual production capacity assumes production of the mix of products and containers produced in 2011.

In 2011, we continued to modernize and renovate our manufacturing facilities in order to maximize efficiency and productivity; we also made significant improvements to our auxiliary services and complementary processes such as water treatment plants and effluent treatment stations. At present, we estimate we have the capacity in each of the franchise territories to meet consumer demand for each product format. Because bottling is a seasonal business with significantly higher demand during the South American summer and because soft drinks are perishable, it is necessary for bottlers to carry significant over-capacity in order to meet the substantially greater seasonal demand. We assure the quality of our products through worldwide class practices and procedures maintaining quality control laboratories and structures in each production facility where raw materials are tested and where we analyze samples of our products.

As of December 31, 2011, we had total installed annual production capacity, including soft drinks, fruit juices, and water, of 701 million unit cases. Our primary facilities include:

- through Embotelladora Andina, in the Chilean territory, one soft drink production facility with eight production lines with total installed annual capacity of 157 million unit cases (22.4% of our total installed annual capacity) and one soft drink production facility that during 2012 will replace the current one and will increase capacity to 228 million unit cases;

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- through Vital Jugos in the Chilean territory, one fruit juice production facility, with six production lines, with total installed annual capacity of 21 million unit cases (3.0% of our total installed annual capacity);
- through Vital Aguas in the Chilean territory, one mineral water production facility, with four production lines, with total installed annual capacity of 28 million unit cases (4.0% of our total installed annual capacity);
- through Rio de Janeiro Refrescos in the Brazilian territory, two soft drink production facilities with eleven production lines with total installed annual capacity of 272 million unit cases (38.8% of our total installed annual capacity); and
- through Embotelladora del Atlántico in the Argentine territory, one soft drink production facility with seven production lines with a total installed annual capacity of 169 million unit cases (24.1% of our total installed annual capacity); and one production facility for bottles and preforms that covers the needs of the Coca-Cola system in that country with a total installed annual capacity of 750 million units and one facility for the production of juices with one production line that covers the needs of our franchise with a total installed annual capacity of 4 million unit cases (0.6% of our total installed annual capacity), and one production line for waters and sensitive products with a total installed annual capacity of 51.2 million unit cases (7.3% of our total installed annual capacity)

ITEM 4A. UNRESOLVED SECURITIES AND EXCHANGE COMMISSION STAFF COMMENTS

Not Applicable .

ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

Basis of Presentation

The following discussion should be read in conjunction with and is qualified in its entirety by reference to the Consolidated Financial Statements, including the notes thereto.

These Financial Statements have been prepared in accordance with IFRS issued by the IASB.

These Financial Statements reflect the consolidated financial position of Embotelladora Andina. S.A. and its subsidiaries as of December 31, 2011, and 2010 as well as the operating results, changes in shareholders' equity and cash flows for the years ended December 31, 2011, 2010, and 2009, all of which were approved by the Board of Directors on April 26, 2012.

Our consolidated financial results include the results of our subsidiaries located in Chile, Brazil and Argentina. Our subsidiaries outside Chile prepare their financial statements in accordance with IFRS and to comply with local regulations in accordance with generally accepted accounting principles of the country in which they operate. The Consolidated Financial Statements reflect the results of the subsidiaries outside of Chile, translated to Chilean pesos (functional and reporting currency of the parent company) and are presented in accordance with IFRS. The International Financial Reporting Standards requires assets and liabilities to be translated from the functional currency of each entity to the reporting currency (Chilean peso) at end of period exchange rates and income and expense accounts to be translated at the average monthly exchange rate for the month in which income or expense is recognized

Factors Affecting Comparability

During 2011, there were no changes in the application of IFRS as compared to the previous year that could materially affect the comparability of the financial statements. Nevertheless, due to the partial sale of Vital Jugos S.A. in Chile, this subsidiary no longer consolidates results with Andina. The main effect to consider is that Andina's results for 2011 do not include the juice volumes that Vital Jugos sold to Embonor and Polar, while 2010 volumes include these sales.

Critical Accounting Estimates

Discussion of critical accounting estimates

In the ordinary course of business, we have made a number of estimates and assumptions relating to the reporting of our results of operations and financial position in the preparation of financial statements in conformity with IFRS. We cannot assure you that actual results will not differ from those estimates. We believe that the following discussion addresses our most critical accounting policies, which are those that are most important to the portrayal of our financial condition and results of operations and require management's most difficult, subjective and complex judgments, often as a result of the need to make estimates and assumptions about the effect of matters that are inherently uncertain. For a more detailed discussion of accounting policies significant to our operations, please see Note 2 to our Consolidated Financial Statements.

Provision for doubtful accounts

The Company evaluates the possibility of collecting trade accounts receivable using several factors. When the Company becomes aware of a specific inability of a customer to fulfill its financial commitments, a specific provision for doubtful accounts is estimated and recorded, which reduces the recognized receivable to the amount that the Company estimate will ultimately be collected. In addition to specifically identifying potential uncollectible customer accounts, debits for doubtful accounts are accounted for based on the recent history of prior losses and a general assessment of trade accounts receivable, both outstanding and past due, among other factors. The balance of the Company's trade accounts receivable was ThCh$114,618,699 at December 31, 2011 (ThCh$105,059,078 in 2010), net of an allowance for doubtful accounts provision of ThCh$1,544,574 (ThCh$1,225,556 in 2010). Historically, doubtful accounts have represented an average of less than 1% of consolidated net sales.

Property, plant and equipment

Property, plant and equipment is recorded at cost and is depreciated on a straight-line basis over the estimated useful lives of such assets. Changes in circumstances such as technological advances, changes to our business model or changes in our capital strategy could result in the actual useful lives differing from our estimates. In those cases where we determine that the useful life of property, plant and equipment should be shortened, we depreciate the net book value in excess of the estimated salvage value over its revised remaining useful life. Factors such as changes in the planned use of manufacturing equipment, vending equipment, transportation equipment or software could result in shortened useful lives. We review long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of any such asset may not be recoverable. The estimate of future cash flows is based upon, among other things, certain assumptions about expected future operating performance. Our estimates of undiscounted cash flows may differ from actual cash flows due to, among other things, technological changes, economic conditions and changes to our business model or changes in operating performance. If the sum of the projected undiscounted cash flows (excluding interest) is less than the carrying value of the asset, the asset will be written down to its estimated fair value.

Estimated impairment loss on goodwill

The Group tests annually whether goodwill has undergone any impairment. The recoverable amounts of cash generating units have been determined on the basis of value in use calculations. The key variables that management must calculate include the sales volume, prices, marketing expense, and other economic factors. Estimating these variables requires considerable judgment by the management, as those variables imply inherent uncertainties. However, the assumptions used are consistent with the Company's internal planning. Therefore, the management evaluates and updates estimates from time to time according to the conditions affecting these variables. If these assets are deemed to have become impaired, the estimated fair value will be written off, as applicable. Should these assets deteriorate, they will be written off to the estimated fair value or future recoverable value, in accordance with discounted cash flows. Estimated future free cash flows in Brazil and Argentina were discounted at a rate of 15% and generated a higher value than the respective assets, including the surplus value of the Brazilian and Argentine subsidiaries.

Liabilities for bottle and case collateral

We have a liability for deposits received for bottles and cases provided to our customers and distributors. The liability represents the deposit value that we may be required to remit upon receipt from the customer or distributor of the bottles and cases, in good condition, along with the original invoice. The liability is not subject to price level restatements as per current

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agreements with customers and distributors. We estimate the liability for deposits based on an periodic inventory of bottles sold to customers and distributors, estimates of bottles in circulation and a weighted average historical deposit value per bottle or case. Deposits for returnable containers are presented as current liabilities because the Company does not have a legal ability to defer settlement for a period in excess of one year. However, the Company does not anticipate any material cash settlements for such amounts during the upcoming year. Significant management judgment is involved in estimating the number of bottles in circulation, the deposit value that could be subject to redemption and the timing of disbursements related to this liability.

Operating Results

Summary of Operations

The following table sets forth, for the periods indicated, sales volume, net sales and operating income for the Company's operations in Chile, Brazil and Argentina, respectively, expressed in each case in nominal million Chilean pesos as of December 31, 2011, 2010 and 2009, and as a percentage of consolidated net sales or operating income, as the case may be:

	Years ended December 31,		
	2011	2010	2009
	MUCs	MUCs	MUCs
Sales volume:			
Chile	*157.8*	*161.5*	*152.4*
Soft Drinks	134.8	132.6	128.0
Mineral Water	10.6	9.3	8.1
Juices	12.4	19.6	16.3
Brazil	*205.1*	*202.5*	*185.3*
Soft Drinks	183.5	187.0	173.7
Mineral Water	4.5	3.7	2.5
Juices	13.4	7.9	5.0
Beer	3.7	3.9	4.1
Argentina	*138.3*	*125.2*	*120.9*
Soft Drinks	129.6	118.4	117.9
Mineral Water	6.1	4.8	1.7
Juices	2.6	2.0	1.3

	Years ended December 31,					
	2011		2010		2009	
	MCh$	%	MCh$	%	MCh$	%
Net sales:						
Chile	$ 304,948	31.0%	$ 295,659	33.3%	$ 273,098	34.8%
Brazil	445,693	45.4	407,782	45.9	339,546	43.2
Argentina	232,223	23.6	185,273	20.8	174,438	22.2
Inter-country eliminations(1)	—		—	—	(1,237)	(0.20)
Total	**$ 982,864**	**100%**	**$ 888,714**	**100%**	**$ 785,845**	**100%**
Operating income:						
Chile	56,170	39.4%	57,442	38.5%	53,905	40.4%
Brazil	64,047	45.0	72,252	48.4	59,949	45.0
Argentina	25,942	18.2	23,442	15.7	23,212	17.4
Corporate expenses(2)	(3,735)	(2.6)	(3,902)	(2.6)	(3,943)	(2.8)
Total	**$ 142,424**	**100%**	**$ 149,234**	**100%**	**$ 133,123**	**100%**

(1) *Eliminations represent intercompany sales.*
(2) *Corresponds to corporate expenses that are not distributable in the operations.*

The following table sets forth, for the periods indicated, the net sales and operating income contributed by each of our business segments, expressed in each case in nominal million Chilean pesos as of December 31, 2011, 2010 and 2009, and as a percentage of consolidated net sales or operating income, as the case may be:

	Years ended December 31,					
	2011		2010		2009	
	MCh$	%	MCh$	%	MCh$	%
Net sales:						
Soft drinks	$ 829,888	84.4%	$ 758,943	85.4%	$ 683,736	87.0%
Other beverages(1)	145,121	14.8	121,650	13.7	94,005	12.0
Packaging	7,855	0.8	8,121	0.9	8,104	1.0
Total	**$ 982,864**	**100%**	**$ 888,714**	**100%**	**$ 785,845**	**100%**
Operating income:						
Soft drinks	$ 128,783	90.4%	$ 136,891	91.7%	$ 120,738	90.7%
Other beverages(1)	10,923	7.7	9,518	6.4	9,319	7.0
Packaging	2,718	1.9	2,825	1.9%	3,066	2.3
Total	**$ 142,424**	**100%**	**$ 149,234**	**100%**	**$ 133,123**	**100%**

(1) *Includes, in Chile, waters and juices; in Brazil, beer, water, energy drinks, Nestea products and fruit flavored juices; and in Argentina fruit flavored waters and juices.*

The following table sets forth, for the periods indicated, information derived from our consolidated income statements, expressed in nominal million Chilean pesos as of December 31, 2011, 2010 and 2009, and as a percentage of consolidated net sales or operating income, as the case may be:

	Year ended December 31,					
	2011		2010		2009	
	MCh$	%	MCh$	%	MCh$	%
Net sales	**$ 982,864**	**100%**	**$ 888,714**	**100%**	**$ 785,845**	**100%**
Cost of sales	(578,581)	(58.9)	(506,882)	(57.0)	(455,300)	(57.9)
Gross profit	404,283	41.1	381,832	43.0	330,545	42.1
Distribution, administrative and selling expenses	(261,859)	(26.6)	(232,598)	(26.2)	(197,422)	(25.1)
Operating income	**142,424**	**14.5**	**149,234**	**16.8**	**133,123**	**16.9**
Non-operating income (expenses), net	(10,712)	(1.1)	(9,294)	(1.0)	(5,972)	(1.0)
Income taxes	(34,685)	(3.5)	(36,340)	(4.1)	(29,166)	(3.7)
Net income	**$ 97,027**	**9.9%**	**$ 103,600**	**11.7%**	**$ 97,985**	**12.5%**

Results of Operations for the Years Ended December 31, 2011and 2010

	Chile		Brazil		Argentina		Total (1)	
	2011	2010	2011	2010	2011	2010	2011	2010
Net sales	**$ 304,948**	**$ 295,659**	**$ 445,693**	**$ 407,782**	**$ 232,223**	**$ 185,273**	**$ 982,864**	**$ 888,714**
Cost of sales	(176,464)	(170,125)	(267,389)	(232,906)	(134,728)	(103,851)	(578,581)	(506,882)
Gross profit	128,484	125,534	178,304	174,876	97,495	81,422	404,283	381,832
Distribution, administrative and selling expenses(2)	(72,314)	(68,092)	(114,258)	(102,624)	(71,552)	(57,980)	(258,124)	(228,696)
Corporate expenses							(3,735)	(3,902)
Operating income	**$ 56,170**	**$ 57,442**	**$ 64,046**	**$ 72,252**	**$ 25,943**	**$ 23,442**	**$ 142,424**	**$ 149,234**

(1) Total does not equal the sum of all the franchise territories due to inter-country eliminations.
(2) The majority of corporate expenses were distributed in the operations.

Net Sales

Consolidated Sales Volume amounted to 501.2 million unit cases in 2011, an increase of 2.5%. Soft Drinks grew 2.3%, while the other categories of, Juices, Waters, and Beer together increased by 4.2%. Particularly, the Waters segment recorded a significant 19.6% increase.

The variations in the exchange rates of the Brazilian real and Argentine peso with respect to the Chilean peso, affect our results expressed in Chilean pesos. On average during the year and with respect to the Chilean peso, the Brazilian real devalued 0.3% resulting in a slight negative accounting effect upon translation of figures from Brazil; and the Argentine peso devalued 10.15%, resulting in a negative accounting impact over income and a positive impact over costs and expenses upon translation of figures for consolidation, in the end, having a negative accounting effect over results upon translation of figures from Argentina.

Net Sales amounted to Ch$982,864 million, a 10.6% increase mainly explained by the increase in volume and prices in the three countries. Of the consolidated net sales, soft drinks represented 84.4% in 2011, slightly lower when compared to the 85.4% in 2010.

In Chile, Sales Volume amounted to 157.8 million unit cases, a 2.3% decline, mainly explained by the 37.1% decrease in the juice segment. Due to the partial sale of Vital Jugos in Chile which occurred in January of 2011, this subsidiary no longer consolidates with Andina, therefore, 2011 volumes do not include the juice volume that Vital Jugos sold to Embonor and Polar (the other two Chilean Coca-Cola bottlers). Without considering this effect, volumes in Chile would have posted a 3.4% growth, with soft drink volumes growing 1.7% and the Juice and Water segment growing 14.9%. Regarding soft drinks, better execution in the market, allowed us to gain 10 bps of market share, thus reaching 69.2%. Our average value market share was 71.6% during 2011 compared to 71.8% in 2010. With respect to Juices and Waters, these are categories which still have low per capita consumption as compared with more developed markets, and thus have been presenting high growth rates in the last years.

Net Sales amounted to Ch$304,948 million, a 3.1% improvement, driven by higher volumes and prices, and offset by the non consolidation of Vital Jugos, which participated in 2010 in 4.5% of total revenues. Soft drink net sales in Chile amounted to Ch$255,436 million during 2011, representing a 5.9% increase regarding the previous year, principally explained by a 1.7% increase in volumes and by an increase of the average income per unit case. Net sales of juices and waters in Chile was Ch$49,512 million in 2011, showing a decrease of 9.1% from 2010. This decrease was led by a 37.1% decrease of sales volume of the juice segment, explained by the non consolidation of Vital Jugos in 2011. When considering proforma sales, juice sales would have grown 20.5%, led by a 15.1% volume increase, coupled with price increases slightly above local inflation.

In Brazil, Sales Volume amounted to 205.1 million unit cases, a 1.3% increase driven by the Juice, Water and Beer segment (+39.4%), while the soft drinks category showed a 1.9% decrease. Soft drink volumes were negatively impacted by the consumption slowdown observed in the economy during all of 2011, by higher inflation and by adverse weather conditions. Juices and Waters were positively impacted by the incorporation to our portfolio of the Matte Leão brand. Net Sales reached Ch$445,693 million (+9.3%) due to higher volumes, price adjustments in line with local inflation and a change of our product mix towards more expensive products. In year 2011, our average volume market share in the soft drink market in Brazil reached 57.4%, same figure as 2010, reflecting a strong competitive position. Our average value market share was 66.4% during 2011 compared to 67.0% in 2010.

Soft drink Net Sales in Brazil amounted to Ch$365,604 million during 2011, representing a 4.2% increase regarding the previous year, mainly explained by price adjustments that were slightly below local inflation, coupled with the decrease of 1.9% in soft drinks volumes. On the other hand, the Company's beer, water and juice operations in Brazil generated net sales in 2011 of Ch$80,089 million, representing a 40.6% increase from 2010, mainly explained by increased volumes due to the incorporation to our portfolio of the Matte Leão brand.

In Argentina, Sales Volume amounted to 138.3 million unit cases, an increase of 10.5%. Soft drinks grew 9.4% and the other categories of juices and waters together grew 29.1%. Net Sales reached Ch$232.223 million (+25.3%), explained by (i) price increases in local currency, in line with local inflation, (ii) volume increases, and (iii) the devaluation of the Argentine peso with respect to the Chilean peso. In year 2011, our average volume market share in the soft drink market in Argentina increased to 57.3% reflecting that we maintain a strong competitive position. Our average value market share was 63.4% during 2011 compared to 62.8% in 2010.

Soft drinks Net Sales in Argentina amounted to Ch$208.848 million during 2011, representing a 25.1% increase when compared to the previous year, mainly explained by higher volumes in this segment and price increases, that were in line with local inflation, in local currency. Net sales of PET packaging and juices in Argentina were Ch$23,375 million in 2011, representing an increase of 27.5% compared to 2010 resulting from the same reasons given for the increase in Soft Drinks Net Sales.

Cost of Sales

Cost of sales were Ch$578,581 million in 2011, representing 58.9% of net sales, compared to Ch$506,882 million, or 57.0% of net sales in 2010. The increase in cost of sales in 2011 was principally due to (i) significant increase in the cost of sugar per unit case in the three countries where we operate; (ii) change in the mix of products in Chile and Brazil, and (iii) increased concentrate costs in Chile and in Argentina, (iv) increased labor costs in Chile and (v) high inflation in Argentina that affects an important portion of our cost of sales.

In Chile, Cost of Sales were Ch$176,464 million in 2011, a 3.7% increase when compared to the Ch$170,125 million in 2010. The cost of sales per unit case sold reached Ch$1,118 in 2011, a 6.2% increase when compared to 2010, mainly due to (i) sugar costs per unit case that on average were approximately 16% above last year, explaining 20% of the increase in the cost of sales per unit case (ii) higher mix of distributed juice and water products in our total sales, which explains 35% of the increase in the cost of sales per unit case, (iii) an 8% increase in the concentrate cost per unit case, which explains 23% of the increase in the cost of sales per unit case, and (iv) higher labor costs due to an increase in wages and to the fact that the Company has been running two production plants simultaneously during the fourth quarter of 2011. The percentage representing cost of sales regarding net sales was 57.9% for the year 2011 and 57.5% for the year 2010.

In Brazil, Cost of Sales were Ch$267,389 million in 2011, a 14.8% increase when compared to the Ch$232,906 million in 2010. The cost of sales per unit case reached Ch$1,304 in 2011, increasing 13.4% when compared to 2010, mainly due to (i) higher mix of distributed products in our total sales, which explains 74% of the increase in the cost of sales per unit case, (ii) increased costs of PET bottles (approximately 14% higher per unit case when compared to 2010), and which explains 11% of the increase in cost of sales per unit case and (iii) sugar costs per unit case, that on average were approximately 5% higher when compared to 2010, and which explains 5% of the increase in the cost of sales per unit case. The percentage representing cost of sales regarding net sales was 60.0% for 2011 and 57.1% for the year 2010.

In Argentina, Cost of Sales were Ch$134,728 million in 2011, a 29.7% increase when compared to the Ch$103,851 million in 2010. The cost of sales per unit case reached Ch$974 in 2011, increasing 17.4% when compared to 2010, mainly due to increases in (i) sugar costs, that on average, and in local currency, were approximately 68% higher per unit case, when

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compared to last year, and which explains 45% of the increase in cost of sales per unit case, (ii) higher concentrate prices, due to price increases, which explains 26% of the increase in cost of sales per unit case and (iii) the 10.15% devaluation of the Argentine peso with respect to the Chilean peso, resulting in a positive accounting impact upon translation of figures from local currency to Chilean pesos. The percentage representing cost of sales regarding net sales was 58.0% during 2011 and 56.1% for the year 2010.

Gross Profit

Due to the aforementioned, gross profit in 2011 increased by 5.9%, reaching Ch$404,283 million, or 41.1% of net sales, compared to Ch$381,832 million, or 43.0% of net sales in 2010.

Distribution , Administrative and Selling Expenses

Distribution, administrative and selling expenses amounted to Ch$261,859 million in 2011, representing 26.6% of net sales for 2011, a 12.6% increase with respect to the Ch$232,598 million in 2010, that represented 26.2% of net sales for that year. SG&A expenses increased principally because of (i) higher distribution costs in the three countries where we operate, (ii) higher labor costs in Argentina and in Chile and (iii) higher inflation in Argentina.

In Chile, SG&A expenses were Ch$72,314 million in 2011, a 6.2% increase when compared to the Ch$68,092 million in 2010. This increase was mainly due to (i) distribution costs which were 14% higher than the previous year, (ii) a 12% increase in labor costs due to wage increases, hiring of third party logistic personnel, and to the fact that the Company has been running two production plants simultaneously during the fourth quarter of 2011, and (iii) higher depreciation charges (57% increase) mainly associated with the new bottling facility. As a percentage of net sales, selling and administrative expenses were 23.7% in 2011 compared with 23.0% in 2010

In Brazil, SG&A expenses were Ch$114,258 million in 2011, a 11.3% increase when compared to the Ch$102,624 million in 2010. The main factors that explain this increase are (i) higher distribution costs, which grew 14% when compared to 2010, and (ii) higher marketing expenses, which grew 17%. As a percentage of net sales, selling and administrative expenses were 25.6% in 2011 compared with 25.2% in 2010.

In Argentina SG&A expenses were Ch$71,552 million in 2011, a 23.4% increase when compared to the Ch$57,980 million in 2010. This increase was mainly due to (i) distribution costs which were 24% higher than the previous year, due to higher volumes and local inflation, (ii) a 28% increase in labor costs due to wage increases as a result of local inflation, and (iii) higher plant to warehouse transportation costs, which increased 25%. As a percentage of net sales, selling and administrative expenses were 30.8% in 2011 compared with 31.3% in 2010.

Operating Income

As a consequence of the aforementioned, Operating Income decreased 4.6% in 2011, amounting to Ch$142,424 million, or 14.5% of net sales, compared to Ch$149,234 million, or 16.8% of net sales in 2010.

Non-operating Income (Expense), Net

The following table sets forth, for the periods indicated, the items of non-operating income (expense), net:

	For the year ended December 31,	
	2011	2010
	(million Ch$)	
Other income and expenses, by function and other gains and losses	$ (7,511)	$ (7,143)
Financial Income	3,182	3,376
Financial Costs	(7,235)	(7,402)
Share of income (losses) from affiliated companies and joint business that are accounted for using the equity method	2,026	2,315
Exchange rate differences	3	(222)
Profit from unit of adjustment	(1,177)	(218)
Non-operating income, net	**$ (10,712)**	**$ (9,294)**

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Non-Operating Results totaled a loss of (Ch$10,712) million, which compares negatively to a loss of (Ch$9,294) million recorded during 2010. The account with greater variation is "Other income and expenses, by function and other gains and losses" which reflects a higher loss of Ch$368 million due to (i) increased provisions for contingencies relating primarily to the Brazilian operation; (ii) greater property, plant and equipment write-offs relating mainly to the construction of the new plant located in Renca; partially offset by (iii) losses registered in 2010 and not present in the year 2011 resulting from the earthquake on February 27, 2010 (iii) earnings recognized in 2011 resulting from benefits associated with tax credits from previous years recognized by Brazilian authorities (iv) earnings in the proportional sale of the affiliate Vital juices S.A. in January 2011 (v) greater earning per the update of judicial deposits (vi) lower expenses in 2011 regarding 2010 resulting from non-operating fees and donations.

Income Taxes

Income taxes in 2011 decreased 4.6% to Ch$34,685 million compared to Ch$36,340 million in 2010. The decrease is principally explained by (i) lower profits from the Brazilian operation during the year 2011 versus the year 2010, which are partially offset by (ii) greater profits from the Argentine operation during the year 2011 versus the year 2010.

Net Income

As a result of the aforementioned, net income in 2011 was Ch$97,027 million, representing 9.9% of net sales and a decrease of 6.3% compared to net income of Ch$103,600 million in 2010.

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Results of Operations for the Years Ended December 31, 2010 and 2009

	Chile		Brazil		Argentina		Total (1)	
	2010	2009	2010	2009	2010	2009	2010	2009
Net sales	**$ 295,659**	**$ 273,098**	**$ 407,782**	**$ 339,546**	**$ 185,273**	**$ 174,438**	**$ 888,714**	**$ 785,845**
Cost of sales	(170,125)	(155,157)	(232,906)	(201,346)	(103,851)	(100,034)	(506,882)	(455,300)
Gross profit	125,534	117,941	174,876	138,200	81,422	74,404	381,832	330,545
Distribution, administrative and selling expenses(2)	(68,092)	(64,036)	(102,624)	(78,251)	(57,980)	(51,192)	(228,696)	(193,479)
Corporate expenses							(3,902)	(3,943)
Operating income	**$ 57,442**	**$ 53,905**	**$ 72,252**	**$ 59,949**	**$ 23,442**	**$ 23,212**	**$ 149,234**	**$ 133,123**

(1) *Total does not equal the sum of all the franchise territories due to inter-country eliminations.*
(2) *The majority of corporate expenses were distributed in the operations.*

Net Sales

Consolidated Sales Volume amounted to 489.2 million unit cases in 2010, an increase of 6.7%. Soft Drinks grew 4.4%, while the other categories of, Juices, Waters, and Beer together increased by 35.1%. Particularly, the Waters segment recorded a significant 43.9% increase. Net Sales amounted to Ch$888,714 million, a 13.1% increase mainly explained by the increase of volume and prices in the three countries in addition to the positive effect upon translation of figures from Brazil and negative effect in the case of Argentina. Net sales of Coca-Cola soft drinks represented 85.4% of total Consolidated Net Sales.

In Chile, Sales Volume amounted to 161.5 million unit cases, a 6.0% growth. This growth was a result of increased soft drink volumes (+3.6%), our main category, as well as an increase in juices and waters (18.4%). Regarding soft drinks, better execution at the point of sales allowed us to gain 50 bps of market share, thus reaching 69.1%. Our average value market share in the soft drinks category was 71.8% during 2010 compared to 71.7% in 2009. With respect to Juices and Waters, these are categories which still have low per capita consumption compared with more developed markets, and thus have been presenting high growth rates in the last years. Also, we launched new flavors and packages in some categories like Powerade Frutilla (Strawberry) and Aquarius Uva (Grape).

Net Sales amounted to Ch$295,659 million, an 8.3% improvement, driven by the aforementioned higher volumes and price increases slightly below local inflation. Soft drink Net Sales in Chile amounted to Ch$241,172 million during 2010, representing a 7.0% increase regarding the previous year, principally explained by a 3.6% increase in volumes and by an increase of the average income per unit case, as a result of price increases which aim at compensating our cost inflation. Net sales of Juices and Waters in Chile was Ch$54,486 million in 2010, showing an increase of 14.0% from 2009. This growth was led by an 18.4% increase in sales volumes of these segments, and partially offset by lower income per unit case, mainly due to an increase in the mix of water, which has lower prices than juices.

In Brazil, Sales Volume amounted to 202.5 million unit cases, a 9.3% increase driven by Soft drinks (+7.7%) and the Juice, Water and Beer segment (+52.8%). This significant growth reflects the economic and consumption recovery and favorable weather conditions. Net Sales reached Ch$407,782 million (+20.1%) due to the effect upon translation of figures in addition to higher volumes and price adjustments above local inflation. The Brazilian real appreciated 3.5% on average with respect to the respect the Chilean peso, resulting in a positive accounting impact over costs and expenses upon translation of figures for consolidation. In year 2010, our average volume market share in the soft drink market in Brazil reached 57.4% reflecting that we maintain a strong competitive position. Our average value market share was 67.0% during 2010 compared to 67.6% in 2009.

Soft drink Net Sales in Brazil amounted to Ch$350,824 million during 2010, representing a 17.6% increase regarding the previous year, principally explained by the effect upon translation of figures, increased volumes and price adjustments made in this segment. On the other hand, the Company's beer, water and juice operations in Brazil generated net sales in 2010 of Ch$56,958 million, representing a 38.2% increase from 2009.

In Argentina, Sales Volume reached 125.2 million unit cases, an increase of 3.6%. Soft drinks grew 0.5% and the other categories of Juices and Waters together grew 126%. Net Sales reached Ch$185,273 million (+6.2%), explained by price adjustments and increased volumes, offset by the effect upon translation of figures. The Argentine peso devalued 13.1% on average with respect to the Chilean peso resulting in a negative accounting impact over income and a positive impact over costs and expenses upon translation of figures for consolidation, in the end, having a negative impact over results. In year 2010, our average volume market share in the soft drink market in Argentina increased to 55.3% reflecting that we maintain a strong competitive position. Our average value market share was 62.8% during 2010 compared to 61.2% in 2009.

Soft drink net sales in Argentina amounted to Ch$166,947 million during 2010, representing a 4.3% increase regarding the previous year, principally explained by higher volumes in this segment , offset by the negative effect upon translation of figures. Net sales of PET packaging and juices in Argentina were Ch$18,327 million in 2010, representing an increase of 39.9% compared to 2009 resulting from the same reasons given for the increase in soft drinks net sales.

Cost of Sales

Cost of sales were Ch$506,882 million in 2010, representing 57.0% of net sales, compared to Ch$455,300 million, or 57.9% of net sales in 2009. The increase in cost of sales in 2010 was principally due to (i) significant increases in the cost of sugar in Chile and in Brazil; (ii) increased concentrate costs in Chile due to a price increase; (iii) change in the mix of products in Chile and Brazil, partially offset by lower PET prices in Brazil.

In Chile, Cost of Sales were Ch$170,125 million in 2010, a 9.6% increase when compared to the Ch$155,157 million in 2009. The cost of sales per unit case sold reached Ch$1,053 in 2010, increasing 3.5% when compared to 2009, mainly due to increases in (i) sugar costs per unit case, that on average were approximately 25% above last year, explaining 29% of the increase in the cost of sales per unit case, (ii) a 14% cost increase in the concentrate cost per unit case, which explains 42% of the increase in the cost of sales per unit case, and (iii) higher mix of distributed juice and water products in our total sales, which explains 18% of the increase in the cost of sales per unit case. The percentage representing cost of sales regarding net sales was 57.5% for the year 2010 and 56.8% for the year 2009.

In Brazil, Cost of Sales were Ch$232,906 million in 2010, a 15.7% increase when compared to the Ch$201,346 million in 2009. The cost of sales per unit case sold reached Ch$1,150 in 2010, increasing 5.8% when compared to 2009, mainly due to (i) sugar costs per unit case that on average was approximately 30% above last year, explaining 54% of the increase in the cost of sales per unit case, (ii) higher mix of distributed products in our total sales, which explains 70% of the increase in the cost of sales per unit case, and partially offset by a 12% decrease in PET costs per unit case, explaining a 26% decrease in the total cost of sales per unit case. The percentage representing cost of sales regarding net sales was 57.1% for the year 2010 and 59.3% for the year 2009.

In Argentina, Cost of Sales were Ch$103,851 million in 2010, a 3.8% increase when compared to the Ch$100,034 million in 2009. The cost of sales per unit case sold reached Ch$829 in 2010, flat when compared to 2009, where the increase in the sugar price and the change in the mix towards distributed products were offset by the decrease in the price of bottle caps and PET resin, and by lower depreciation charges. The percentage representing cost of sales regarding net sales was 56.1% for the year 2010 and 57.3% for the year 2009.

Gross Profit

Due to the aforementioned, gross profit in 2010 increased by 14.7%, reaching Ch$381,832 million, or 43.0% of net sales, compared to Ch$330,545 million, or 42.1% of net sales in 2009.

Distribution, Administrative and Selling Expenses

Administrative and Selling expenses amounted to Ch$232,598 million in 2010, this represented 26.2% of net sales for 2010 and a 17.8% increase with respect to the Ch$197,422 million in 2009, that represented 25.1% of net sales for that year. SG&A increased by (i) higher distribution costs in the 3 countries where we operate, (ii) the effect upon translation of figures of our operations in Brazil and (iii) the adjustment of freight fees.

In Chile SG&A expenses were Ch$68,092 million in 2010, a 6.3% increase when compared to the Ch$64,036 million in 2009. This increase was mainly due to (i) distribution costs which were 9% higher than the previous year, mainly

explained by an increase in volumes, and by an increase in our third party freight fees, as a result of higher labor and fuel costs, and (ii) higher expenses from the Company's IT division, among others. As a percentage of net sales, selling and administrative expenses were 23.0% in 2010 compared with 23.4% in 2009.

In Brazil SG&A expenses were Ch$102,624 million in 2010, a 31.1% increase when compared to the Ch$78,251 million in 2009. The main factors that explain this increase are (i) higher distribution costs, which grew 26%, and (ii) higher labor costs, which grew 35% and (iii)) other fixed costs which were affected by local inflation, mainly third party services. As a percentage of net sales, selling and administrative expenses were 25.2% in 2010 compared with 23.0% in 2009

In Argentina SG&A expenses were Ch$57,980 million in 2010, a 13.3% increase when compared to the Ch$51,192 million in 2009. This increase was mainly explained by (i) distribution costs which were 16% higher than the previous year, due to higher volumes and local inflation (ii) a 13% increase in labor costs due to wage increases as a result of local inflation, and (iii) other fixed costs which were affected by local inflation, mainly leases and third party services. As a percentage of net sales, selling and administrative expenses were 31.3% in 2010 compared with 29.3% in 2009

Operating Income

As a consequence of the aforementioned, Operating Income increased 12.1% in 2010, amounting to Ch$149,234 million, or 16.8% of net sales, compared to Ch$133,123 million, or 16.9% of net sales in 2009.

Non-operating Income (Expense), Net

The following table sets forth, for the periods indicated, the items of non-operating income (expense), net:

	For the year ended December 31,	
	2010	2009
	(million Ch$)	
Other income and expenses, by function and other gains and losses	$ (7,143)	$ (3,423)
Financial Income	3,376	3,952
Financial Costs	(7,402)	(8,124)
Share of income (losses) from affiliated companies and joint business that are accounted for using the equity method	2,315	1,604
Exchange rate differences	(222)	(621)
Profit from unit of adjustment	(218)	640
Non-operating income, net	**$ (9,294)**	**$ (5,972)**

Non-Operating Results totaled a loss of (Ch$9,294) million, which compares negatively to a loss of (Ch$5,972) million recorded during 2009. The account with greater variation is "Other income and expenses, by function and other gains and losses" which reflects a higher loss of Ch$3,720 million due to (i) a lower restatement of judicial deposits in Brazil with respect to the previous year; (ii) higher debit and credit taxation in Argentina during year 2010; (iii) losses given the February 27 earthquake in Chile (below insurance deductibles); and (iv) greater contingency adjustments in year 2010 compared to year 2009. The Ch$711 million variation of from affiliated companies that are accounted for using the equity method is mainly due to improved results from the juice business Joint Venture in Brazil and from the packaging subsidiary in Chile.

Income Taxes

Income taxes in 2010 increased 24.6% to Ch$36,340 million compared to Ch$29,166 million in 2009. The increase is principally explained by: (i) greater earnings from the three countries in which the Company operates; (ii) a lower charge for tax expenses during 2009 in Chile, due to taxable assets in accordance with the variation of the exchange rate, generating tax savings as a result of the strong appreciation of the Chilean peso in 2009; and (iii) a lower use of fiscal incentives during 2010 in Brazil.

Net Income

As a result of the aforementioned, net income in 2010 was Ch$103,600 million, representing 11.7% of net sales and an increase of 5.7% compared to net income of Ch$97,985 million in 2009.

Impact of Foreign Currency Fluctuations

In Chile we had gains of Ch$3 million in 2011 due to the revaluation of the Chilean peso, compared to a negative impact of foreign currency fluctuations in 2010 in the amount of approximately Ch$222 million, due to our low net asset position in U.S. dollars amounting to a total of approximately US$3 million.

In accordance with IFRS conversion methods, assets and liabilities from Argentina and Brazil are converted from their functional currency (Brazilian Real and Argentine Peso, respectively) to the reporting currency of the parent company (Chilean peso) at the end of period exchange rate, and income accounts at the exchange rate as of the date of the transaction or monthly average exchange rate of the month when it took place. The effects of translation are presented as comprehensive income and do not affect the results for the years ended December 31, 2011, 2010 and 2009. The translation effects due to the currency conversion undertaken for assets and liabilities in accordance with the method previously explained resulted in a decrease of other comprehensive income of Ch$2,600 during 2011 (decrease of Ch$5,171 million during 2010 and increase of Ch$6,496 million during 2009) for Brazil and an increase of other comprehensive income of Ch$635 million during 2011 (decrease of Ch$4,279 and Ch$15,428 million during 2010 and 2009 respectively) for Argentina. We also present under other comprehensive income the net effect as result of the restatement of Chilean pesos to U.S. Dollars and Brazilian Reais to U.S. dollars resulting from the update of intercompany accounts that have designated as part of the Company's investment, this effect resulted in an increase of Ch$1,087 million during 2011 (decrease of Ch$1,845 and Ch$1,355 million during 2010 and 2009).

We use hedge agreements, to protect against foreign currency risk. In 20011 and 2010 these agreements partially offset the effects of the variation of the Chilean peso exchange rate, whose results are recorded as earnings and losses in the consolidated statements of income. For further information about the instruments we use to protect against foreign currency risk, see "Item 11. Quantitative and Qualitative Disclosures about Market Risk—Foreign Currency Risk."

Impact of Governmental Policies

Our business is dependent upon the economic conditions prevailing in our countries of operation. Various governmental economic, fiscal, monetary and political policies, such as those related to inflation or foreign exchange, may affect these economic conditions, and in turn may impact our business. These government policies may also affect investments by our shareholders.

For a discussion of political factors and governmental, economic, fiscal and monetary policies that could materially affect investments by U.S. shareholders as well as our operations, please refer to "Item 3. Key Information—Risk Factors" and "Item 10. Additional Information"

A. Liquidity and Capital Resources

Capital Resources, Treasury and Funding Policies

The products we sell are mainly paid for in cash and short term credit, and therefore our main source of financing comes from the cash flow of our operations. This cash flow has historically been sufficient to cover the investments necessary for the normal course of our business, as well as the distribution of dividends approved by the General Shareholders' Meeting. Should additional funding be required for future geographic expansion or other needs, the main sources of financing to consider are: (i) debt offerings in the Chilean and foreign capital markets (ii) borrowings from commercial banks, both internationally and in the local markets where we have operations; and; (iii) public equity offerings.

Certain restrictions could exist to transfer funds among our operating subsidiaries. We have transferred funds from Argentina to Chile through capital reductions in 2009 and 2010, but in 2011, all cash flow generated by the subsidiary in Argentina was reinvested in the operation. During 2009, 2010 and 2011 we received dividends from our subsidiary in Brazil. No assurance can be made that we will not face restrictions in the future regarding the distribution of dividends from our foreign subsidiaries.

Our management believes that through these sources, we have sufficient financial resources available to maintain our current operations and provide for our current capital expenditure and working capital requirements, scheduled debt payments, interest and income tax payments and dividends to shareholders. The amount and frequency of future dividends to our shareholders will be determined by the General Shareholders' Meeting upon the proposal of our board of directors in light of our earnings and financial condition at such time, and we cannot assure you that dividends will be declared in the future, except for the minimum 30% of annual profits required by Chilean law.

Our board of directors has been empowered by our shareholders to define our financing and investment policies. Our bylaws do not define a strict financing structure, nor do they limit the types of investments we may make. Traditionally, we have preferred to use our own resources to finance our investments.

Our general financing policy is that each subsidiary should finance its own operations. From this perspective, each subsidiary's management must focus on cash generation and should establish clear targets for operating income, capital expenditures and levels of working capital. These targets are reviewed on a monthly basis to ensure that their objectives are met. Should increased financing needs arise, either as a result of a cash deficit or to take advantage of market opportunities, our policy is to prefer local financing to allow for natural hedging. If local financing conditions are not acceptable, because of costs or other constraints, Andina will provide financing.

Our cash surplus policy is that Andina invests any cash surplus in a portfolio of investment grade securities until such time as our board of directors makes a final decision as to the disposition of the surplus.

Derivative instruments are utilized only for business purposes, and never for speculative purposes. Forward currency contracts are used to cover the risk of local currency devaluation relative to the U.S. dollar in an amount approximately equal to our budgeted purchases of U.S. dollar-denominated raw materials. Depending on market conditions, instead of forward currency contracts, from time to time we prefer to utilize our cash surplus to purchase raw materials in advance to obtain better prices and a fixed exchange rate.

Cash Flows from Operating Activities 2011 vs Cash Flows from Operating Activities 2010

Cash flows from operating activities during 2011 amounted to Ch$138,950 million compared to Ch$125,848 million in 2010. The increase in cash flow generation came mainly from greater collections from clients partially offset by greater payments to suppliers, due to greater sales volume and increased prices in line with local inflation in each country. Other operating cash flows did not vary significantly.

Cash Flows from Operating Activities 2010 vs Cash Flows from Operating Activities 2009

Cash flows from operating activities during 2010 amounted to Ch$125,848 million compared to Ch$131,126 million in 2009. The decrease in cash flow generation is mainly due to lower income tax charges during 2009 resulting from tax loss carry forwards and other tax benefits which did not occur during 2010.

Cash Flows from Investing Activities 2011 vs Cash Flows from Investing Activities 2010

Cash flows for investing activities (includes purchase and sale of: property, plant and equipment; investment in associated companies; and financial investments) amounted to Ch$89,621 million in 2011 compared to Ch$80,504 million during 2010.

The main item of investing activities is the purchase of property, plant and equipment which went from Ch$95,462 million in 2010 to Ch$126,931 million in 2011. This figure is highly influenced by the investment in a new bottling facility in Chile. Also, during 2011 we liquidated net financial investments in the amount of Ch$35,938 million and during 2010 we liquidated net financial investments in the amount of Ch$25,590 million. However, as of December 31, 2011, we had Ch$46,959 million invested in time deposits and other short-term investments.

Finally, during 2011we carried out the sale of 43% of Vital Jugos, along with capital contributions in the associated company amounting to Ch$829 million.

During 2010 we carried out investments in Brazilian associated companies related to the iced tea and matte business, amounting to Ch$15,229 million, which was financed with own operating resources.

Cash Flows from Investing Activities 2010 vs Cash Flows from Investing Activities 2009

Cash flows for investing activities (includes purchase and sale of: property, plant and equipment; investment in associated companies; and financial investments) amounted to Ch$80,504 million in 2010 compared to Ch$84,318 million during 2009.

The main item of investing activities is the purchase of property, plant and equipment which went from Ch$49,482 million in 2009 to Ch$95,462 million in 2010. This figure is highly influenced by the investment in a new bottling facility in Chile. Also, during 2010 we liquidated net financial investments in the amount of Ch$25,590 million offset by greater net financial investments during 2009 in the amount of Ch$33,761 million. Additionally, during 2010 we carried out investments in Brazilian associated companies related to the iced tea and matte business, amounting to Ch$15,229 million, which was financed with own operating resources.

At December 31, 2011, we had no material commitments for the purchase of capital assets other than those related to normal replacement of equipment.

We believe that cash flow generated by operations, cash balances, available lines of credit, including lines of credit from suppliers, and borrowings from third parties, are currently sufficient to meet our working capital, debt service and capital expenditure requirements.

Cash Flows from Financing Activities 2011 vs Cash Flows from Financing Activities 2010

Our financing activities are directly related to dividend distributions to our shareholders, that record a utilization of cash resources amounting to Ch$70,906 million compared to $66,525 million during 2010, and borrowings from banks and payment of these loans, in order to finance these dividend payments and investments. Worth mentioning is that as a result of our business' seasonality, we generate greater cash flows during the summer months (December through March), therefore during the winter season we require short term financing in order to fulfill our dividend and investment commitments.

Cash Flows from Financing Activities 2010 vs Cash Flows from Financing Activities 2009

Our financing activities are directly related to dividend distributions to our shareholders, that record a utilization of cash resources amounting to Ch$66,525 million compared to $62,348 million during 2009, and borrowings from banks and payment of these loans, in order to finance these dividend payments and investments. Worth mentioning is that as a result of our business' seasonality, we generate greater cash flows during the summer months (December through March), therefore during the winter season we require short term financing in order to fulfill our dividend and investment commitments.

As of that date, we had available short-term credit lines in an amount equivalent to Ch$109.160 million. The aggregate unused portion of such lines of credit at that date was equivalent to Ch$87.046 million.

Our unused sources of liquidity include 14 lines of credit. In Chile, we had the equivalent of Ch$32.250 million in credit available from two separate lines. The unused portion of such lines of credit at that date was equivalent to Ch$30,025 million. In Brazil, we had the equivalent of Ch$35.806 million in credit available with 6 lines. The unused portion of such lines of credit at that date was equivalent to Ch$29,326 million. In Argentina, we had the equivalent of Ch$40,731 million in credit available with five lines. The unused portion of such lines of credit at that date was equivalent to Ch$29,326 million.

Liabilities

For the period ending December 31, 2011, our total liabilities, excluding non controlling interest, were Ch$319,980 million, representing a 9.0% increase compared to December 31, 2010. The increase in total liabilities resulted principally from higher trade accounts payable, higher no-current provisions and higher bank liabilities in Argentina, partially offset by lower accounts payable to related companies and lower post-employement benefit liabilities. As of December 31, 2011, our non-current liabilities included (i) other non current financial liabilities of Ch$74,641 million, (ii) other non-current provisions of Ch$7,883 million, (iii) deferred tax liabilities for Ch$35,245 million; (iv) non-current employee benefit provisions for Ch$5,130 million; and (v) other non-current non-financial liabilities for Ch$437 million, totaling non-current liabilities for Ch$123,337 million during 2011 compared to Ch$117,895 million during 2010.

For the period ending December 31, 2011, our current liabilities, included (i) other current financial liabilities of Ch$23,093 million, (ii) commercial accounts and other accounts payable for Ch$127,941 million; (iii) current accounts payable to related entities for Ch$11,359 million; (iv) other current provisions for Ch$88 million; (v) current tax liabilities for Ch$3,821 million and (vi) other non financial current liabilities for Ch$30,341 million. Total current liabilities during 2011 amounted to Ch$196,644 million compared to Ch$175,554 million during 2010.

As of December 31, 2011, our bond liabilities had a weighted average interest rate of 6.50% while our bank liabilities had a weighted average interest rate of 10.18%.

Summary of Significant Debt Instruments

The following is a brief summary of our significant long-term indebtedness outstanding as of December 31, 2011:

Unsecured Notes. On October 1, 1997 we entered into an indenture pursuant to which we issued three series of bonds. One of which expired during in 2007. The indenture imposes certain restrictions on liens, sale and leaseback transactions, assets sales and subsidiary indebtedness and certain conditions in the event of merger or consolidation.

The two series of bonds issued in 1997 under this indenture are the following:

- US$100 million of 7.625% Unsecured Notes due 2027; and
- US$100 million of 7.875% Unsecured Notes due 2097.

The Company has repurchased, through our subsidiary Abisa Corp., for cash at par value the notes outstanding and the following notes were tendered:

- US$100 million of the 7.625% Unsecured Notes due 2027; and
- US$100 million of the 7.875% Notes due 2097.

During 2001, Andina completed a local bond placement in the Chilean capital markets of two series of bonds, one of which expired during 2008. The outstanding series as of December 31, 2011 is the following:

- UF 3.7 million series of bonds due 2026, with annual interest rate over inflation of 6.50%

The bond issue and placement in the Chilean market is subject to the following restrictions:

- Andina must maintain a indebtedness level wherein consolidated financial liabilities must be less than 1.20 times of Consolidated Shareholders´ Equity. For this purpose, Consolidated Financial Liabilities will be equal to accruing interest current liabilities, i.e (i) other current financial liabilities, plus (ii) other non current financial liabilities. Consolidated Equity means Total Shareholders' Equity including non-controlling interest
- Andina must maintain consolidated assets free of any pledge, mortgage or other encumbrances for an amount equal to at least 1.30 times the consolidated liabilities that are not guaranteed by the investee.
- Andina may not lease, sell, assign or dispose of the franchise territory in Chile.
- Andina may not lease, sell, deliver or dispose of its franchise territory in Argentina or Brazil, as long as either territory represents more than 40% of Andina's consolidated operating cash flows.

C. Research and development, patents and licenses

Given the nature of the business and the support provided by TCCC as franchisor to its bottlers, the Company's research and development expenses are not meaningful. For more information on patents and licenses, see "Patents and Licenses".

D. Trend Information

Our results will likely continue to be influenced by changes in the level of consumer demand in the countries in which we operate, resulting from governmental economic measures that are or may be implemented in the future. Additionally, principal raw materials used in the production of soft drinks, such as sugar and resin, may experience price increases in the future. Such price increases may affect our results if we are unable to pass the cost increases on to the sales price of our products due to depressed consumer demand and/or heightened competition.

Increased competition from low-price brands is another factor that could limit our ability to grow, and thus negatively affect our results.

Finally, exchange rate fluctuations, in particular the potential devaluations relative to the U.S. dollar of local currencies in the countries in which we operate, may adversely affect our results because of the impact on the cost of U.S. dollar-denominated raw materials and the conversion of monetary assets.

E. Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements.

F. Contractual Obligations

The following table presents our contractual and comercial obligations as of December 31, 2011:

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	Total	Less than 1 year	1-3 Years	3-5 Years	More than 5 Years
		Payments Due by Period Years			
		(in million nominal Ch$ as of December 31, 2011)			
Long-term debt(1)	8,023	1,636	3,615	2,772	—
Short-term debt	8,464	8,464	—	—	—
Bonds payable(1)	116,436	8,030	16,060	16,060	76,286
Operating lease obligations	3,780	2,683	616	481	—
Purchase obligations	27,259	11,593	8,274	7,392	
Total contractual obligations	**163,962**	**32,406**	**28,565**	**26,705**	**76,286**

(1) See Note 16 of the Notes to the Consolidated Financial Statements for additional information.

The following table presents future expirations for the remaining long-term liabilities. These expirations have been made based on accounting estimates because the liabilities do not have specific dates of future payment as allowance for severance indemnities, contingencies, and liabilities are included.

	Maturity Years			
	Total	1-3 Years	3-5 Years	More than 5 Years
	(in million nominal Ch$ as of December 31, 2011)			
Provisions	7,883	7,883	—	—
Other long-term liabilities	5,567	855	1,292	3,420
Total long term liabilities	**13,450**	**8,738**	**1,292**	**3,420**

ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

A. Directors and Senior Management

Pursuant to Chilean law, we are managed by a group of executive officers under the supervision of our board of directors. The Company’s operations in Chile, Brazil and Argentina report to the Corporate Office. Effective December 31, 2011, the following officers no longer work at the Company:

- Jaime García, former Chief Executive Officer (his resignation was reported as a material event on July 13, 2011 to the Chilean Superintendence of Securities and the SEC, and also posted on our website)
- Michael Cooper, former Vice-president of Business Development
- Osvaldo Garay, former Chief Administration Officer
- Renato Barbosa joins the Company in Brazil effective January 1, 2012, replacing Alejandro Feuereisen who joins the Corporate Office as Chief Value Chain Officer.

Principal Officers

The following table includes information regarding our senior executives:

Name	Title	Biography
Miguel Ángel Peirano	Chief Executive Officer	Joined the Company in 2011, as Chief Executive Officer. Prior to his appointment in Andina he was President at FEMSA Cerveza Brazil from 2009 through 2011. With Coca-Cola FEMSA he held several positions: Vice-President. 2006-2008; Director of Operations in Argentina from 2003 though 2005; Commercial Director during 2002; Manufacturing Director in 2000 and Strategic Planning Director in 1999. He also worked as Assistant Manager at McKinsey & Company in 1999. Date of birth: March 22, 1959
Andrés Wainer	Chief Financial Officer	Joined the Company in 1996 as research analyst in the corporate office. In 2000 he was appointed development manager in EDASA and in 2001 he returned to the corporate office as research and development officer. In 2006 he was appointed finance and administration manager at the Chilean operation and in November 2010 he returns to the corporate office as Chief Financial Officer. Date of birth; October 15, 1970

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Name	Title	Biography
Rodrigo Ormaechea	Chief Strategic Planning Officer	Joined the Company in 2011 as Chief Strategic Planning Officer, prior to joining Andina he held the position of projects' manager at Virtus Partners, strategic consultant at Bain & Co. in London, executive director at Uruguay Junior Achievement (NGO), relationship manager Corporate Banking and M&A at ABN AMRO Bank Uruguay and risk analyst at ABN AMRO Bank Brazil and Uruguay. Date of Birth: January 7, 1976
Jaime Cohen	Chief Legal Officer	Joined the Company in 2008, as chief legal officer. Prior to joining Andina, he held similar position at Socovesa S.A. since 2004. Prior to that he formed part of the legal division of Citibank since the year 2000. He also was an attorney at the law offices of Cruzat, Ortuzar & Mackenna, Baker & McKenzie from 1996 until 1999. He began his professional career in 1993 as lawyer at Banco de A. Edwards. Date of birth: October 14, 1967
Pablo Court	Chief Human Resources Officer	Joined the Company in 2008 as Chief Human Resources Officer . Prior to joining Andina he was strategic planning and human resources corporate officer at Indura S.A. from 1998. Before that he was the human resources manager of Watt's Alimentos S.A. (from 1993-2007); human resources manager of Pesquera San José S.A. (from 1989 — 1993); and human resources manager of Compañía Minera Disputada Las Condes (1986-1989). He did business consulting since 1980. Date of birth: September 22, 1956
German Garib	Chief Process and Information Officer	Joined the Company in 1998, as chief information officer. Prior to Andina, he was the marketing manager of IBM Chile. Date of birth: August 28, 1961
Alejandro A. Feuereisen	Chief Value Chain Officer	Joined the company in 1993. On January 1, 2012 he was appointed Chief Value Chain Officer at our Corporate Office. In 2010 he was appointed General Manager of our Brazilian operation. In August of 1998 he was appointed General Manager of EDASA. From September 1995 to July 1998, he served as the commercial manager of Embotelladora del Atlántico S.A. From 1993 to 1995, he was a sales manager at Andina and, from 1981 to 1992, an officer at Citibank, Santiago de Chile. During the last three years of his tenure at Citibank, he was vice president of the International Financial Institutions Group. From 1977 to 1980, he served as financial analyst at Leasing Andino S.A., a subsidiary of Banco de Chile. Date of birth: May 19, 1953

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Name	Title	Biography
Abel Bouchon	General Manager of Chilean Soft Drink Operation	Joined the Company in March 2009. Previously he worked for LAN during 13 years where he served as general manager of the international business from 2008 until March 2009; from 1998 until 2007, he served as commercial manager for the passenger business unit and manager of the international business unit; he started working at LAN in 1996 as manager of the domestic business unit. Prior to LAN, he worked for Booz, Allen & Hamilton, Inc. in Buenos Aires, Argentina, where he did his MBA summer internship as an associate in 1993, and then was appointed project manager from 1994 until 1995. He began his professional career in 1990 as an associate at The Chase Manhattan Bank where he worked until 1992. Date of birth : May 23, 1968
Renato Barbosa	General Manager of Rio de Janeiro Refrescos Ltda.	Joins the Company on January 1, 2012 as General Manager of our operation in Brazil. Has worked in the Coca-Cola System for 23 years, primarily as General Manager of Brasal (Coca-Cola bottling company servicing the western central part of Brazil.) He also has worked for other large companies such as McDonald's and Banco do Brasil. Date of birth: January 14, 1960
José Luis Solorzano	General Manager of Embotelladora del Atlántico S.A.	Joined the Company in 2003, where he served in various managerial positions in the commercial area, passing through the management of key accounts sales, traditional channel sales management, and management of marketing and commercial areas. Since March of the year 2010 he took over as general manager of Andina's Argentine operations. Prior to his arrival at Andina, he worked as marketing manager, plant manager and business manager of Coca-Cola Polar, for five years. Before his incorporation to the Coca-Cola bottier system, he worked at Malloa. Date of birth: October 9, 1970

Board of Directors

In accordance with our bylaws, the board of directors must consist of seven regular directors and seven alternate directors. Each director is assigned a specific alternate director. The directors may or may not be shareholders and are elected for a term of three years subject to indefinite re-election. In the case of Series A shares, it is necessary to have 14.29% of the total shares represented in a shareholders' meeting in order to elect one director assuming there is 100% shareholder vote participation. In the case of series B shares, it is necessary to have a total of 50.1% of the total shares represented in a shareholders' meeting to elect a director if it is also assumed that there is 100% shareholder vote participation. All members of the board of directors are nominated and elected every three years by and during the ordinary annual shareholders' meeting. Cumulative voting is permitted for the election of directors.

In the event of a vacancy, the designated alternate director fills the vacancy for the remaining period of the director's term. If the alternate director is unable or unwilling to serve, the board of directors may appoint a replacement to fill the vacancy, and the entire board of directors must be elected or re-elected at the next regularly scheduled shareholders' meeting.

The majority shareholders' agreement for the election of directors is contained in Inversiones Freire S.A.'s Shareholder Agreement and further explained on Item 7 "Major Shareholders and Related Companies". In addition, pursuant to the terms and conditions of the Deposit Agreement, if no instructions are received by The Bank of New York Mellon, as depositary, it shall give a discretionary proxy to a person designated by the chairman of the board of directors of Embotelladora Andina with respect to the shares or other deposited securities that represent the ADRs.

As of December 31, 2011, our board of directors consisted of the following directors and alternate directors:

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Name	Title	Information
Juan Claro	Chairman of the Board of Directors	Has been a member of the board of directors since April 2004. Principal occupation: Entrepreneur and company directorships Other directorships: Chairman of Embotelladora Andina, Energía Andina and Energía Llaima. Director of Entel, Antofagasta Plc, and Pesquera Friosur. Date of birth: November 7, 1950
Salvador Said (1)	Vice Chairman of the Board of Directors	Has been a member of the board of directors since April 1992. Principal occupation: Director of Said Holding Group Other directorships: Cruz Blanca Salud S.A., Isapre Cruz Blanca S.A., , Parque Arauco S.A., Edelpa S.A., BBVA Chile and Endeavor Chile. Date of birth: September 16, 1964
José Antonio Garcés, Jr.	Director	Has been a member of the board of directors since April 1992. Principal occupation: General manager of Inversiones San Andrés Ltda. Other directorships: Banco Consorcio, Banvida S.A.; Inmobiliaria FFV S.A., Fundación Paternitas, Viña Montes, Viña Garcés Silva Ltda., and USEC. Date of birth: March 1, 1966
Arturo Majlis	Director	Has been a member of the board of directors since April 1997. Principal occupation: Principal partner of the law offices of Grasty, Quintana, Majlis y Compañía Other directorships: Asesorías e Inversiones Til Til S.A.; Asesorias e Inversiones MJS Ltda., Banchile Seguros de Vida, Seguros Orion and Mathiesen Group. Date of birth: April 7, 1962
Gonzalo Said (1)	Director	Has been a member of the board of directors since April 1993. Principal occupation: General manager and director of Newport Ltda. Other directorships: Banco BBVA, BBVA Administradora General de Fondos S.A. Date of birth: October 16, 1964
Brian J.Smith	Director	Has been a member of the board of directors since April 2009. Principal occupation: President Coca-Cola de Mexico Other directorships: Embotelladoras Coca-Cola Polar S.A. Date of birth: December 10, 1955
Heriberto Urzúa (2)	Director	Has been a member of the board of directors since April 2006. Principal occupation: Company directorships Other directorships: Express de Santiago S.A., Hortifrut S.A., Relsa S.A., Forus S.A., Aceros Otero and Armacero S.A. Date of birth: November 28, 1962
Ernesto Bertelsen	Alternate Director to Juan Claro	Has been a member of the board of directors since April 2005. Principal occupation: Company directorships and financial advisor to companies Other directorships: BBVA Inmobiliaria e Inversiones S.A. Date of birth: March 18, 1945

Name	Title	Information
José Domingo Eluchans	Alternate Director to Salvador Said	Has been a member of the board of directors since April 2005. Principal occupation: Partner at José Domingo Eluchans Asesorías Limitada Other directorships: Banco BBVA and Envases del Pacífico S.A. Date of birth: August 6, 1953
Patricio Parodi	Alternate Director to José Antonio Garcés, Jr.	Has been a member of the board of directors since April 2005. Principal occupation: General manager Consorcio Financiero S.A. and subsidiaries Other directorships: Banmédica S.A.;, Help S.A.; Clínica Dávila S.A.; Sociedad Punta del Cobre S.A.; Pacífico V Región S.A.; Maderas Condor S.A., and Invernova S.A Date of birth: April 28, 1963
Cristian Alliende	Alternate Director to Arturo Majlis	Has been a member of the board of directors since April 2009. Principal occupation: Chairman of Inmobiliaria Aconcagua S.A. Other directorships: Inversiones Mar Adentro S.A. Date of birth: July 20, 1964
José María Eyzaguirre	Alternate Director to Gonzalo Said	Has been a member of the board of directors since April 2006. Principal occupation: Lawyer, Partner at Estudio Claro y Cia. Date of birth: May 22, 1962
Jorge Hurtado	Alternate Director to Brian J. Smith	Has been a member of the board of directors since January 2004. Principal occupation: Directing Partner of Agrícola y Comercial Yerbas Buenas S.A. Other directorships: CMPC Tissue S.A.; Vendomática S.A.; Trabajando.com Chile S.A., and Foraco International S.A. Date of birth: March 25, 1946
Gonzalo Parot (2)	Alternate Director to Heriberto Urzúa	Has been a member of the board of directors since April 2009. Principal occupation: Director and consultant Date of birth: September 14, 1952

(1) Salvador Said is the cousin of Gonzalo Said.

(2) Independent from controlling shareholder pursuant to Article 50 bis, paragraph 6 of the Chilean Public Company Law N° 18,046.

B. Compensation

Compensation of Principal Officers

The Company does not have any incentive plans other than salaries. The compensation system is a mixed one, composed by a base salary and participation, which are in accordance with each market and the competitive conditions of each one. For General Managers it also considers use of cash flow versus the budget and market share versus the established goals. Amounts are different depending on each officer, position and/or responsibility, but it is applicable to all of the Company. For the year ended December 31, 2011, compensation paid out to the principal officers of Embotelladora Andina S.A. amounted to Ch$5,663 million (Ch$5,180 million in 2010). Of the Ch$5,663 million paid to the main officers of Embotelladora Andina S.A., the variable portion was 42% and for the period ended December 31, 2010 of the Ch$5,180 million paid to the main officers of Embotelladora Andina S.A., the variable portion was 36%. Severance payments to former managers or former principal officers for the period ended December 31, 2011 amounted to Ch$2,290 million.

We do not make available to the public information as to the compensation of our executive officers on an individual basis, as disclosure of such information is not required under Chilean law.

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Compensation of Directors

Directors and alternate directors receive an annual fee for attendance to meetings of the board of directors and committees. The amounts paid to each director and alternate director for attendance at board meetings varies in accordance with the position held and the period of time during which such position is held. Total compensation paid to each director or alternate director during 2011, which was approved by our shareholders, was as follows:

2011	Directors' Compensation ThCh$	Executive Committee ThCh$	Directors' Committee ThCh$	Audit Committee ThCh$	Total ThCh$
Juan Claro González	72,000	72,000			144,000
Salvador Said Somavía	72,000	72,000	12,000	12,000	168,000
Jose Antonio Garcés Silva (Hijo)	72,000	72,000			144,000
Arturo Majlis Albala	72,000	72,000	12,000	12,000	168,000
Gonzalo Said Handal	72,000	72,000	—	—	144,000
Brian J. Smith	36,000	36,000	—	—	72,000
Heriberto Urzúa Sánchez	36,000	36,000	12,000	12,000	96,000
Ernesto Bertelsen Repetto	12,000	12,000	—	—	24,000
José Domingo Eluchans Urenda	12,000	12,000	—	—	24,000
Cristian Alliende Arriagada	12,000	12,000	—	—	24,000
Patricio Parodi Gil	12,000	12,000	—	—	24,000
Gonzalo Parot Palma	12,000	12,000	—	—	24,000
Jorge Hurtado Garreton	12,000	12,000	—	—	24,000
José María Eyzaguirre Baeza	12,000	12,000	—	—	24,000
Total Gross Amounts	**516,000**	**516,000**	**36,000**	**36,000**	**1,104,000**

For the year that ended on December 31, 2011, the aggregate amount of compensation we paid to all directors and executive officers as a group was Ch$6,767 million of which Ch$5,663 million was paid to our executive officers. We do not disclose to our shareholders or otherwise make available to the public information as to the compensation of our executive officers on an individual basis. We do not maintain any pension or retirement programs for our directors or executive officers. See "—Employees."

C. Board Practices

Our board of directors has regularly scheduled meetings at least once a month, and extraordinary meetings are convened when called by the chairman or when requested by one or more directors. The quorum for a meeting of the board of directors is established by the presence of an absolute majority of its regular directors, without taking alternate directors into consideration, unless regular directors are absent. Resolutions are passed by the affirmative vote of an absolute majority of those directors present at the meeting, with the chairman determining the outcome of any tie vote.

Executive Committee

The Company's Board of Directors is counseled by an Executive Committee that proposes Company policies and is currently comprised by the following Directors: Mr. Arturo Majlis Albala, Mr. José Antonio Garcés Silva (junior), Mr. Gonzalo Said Handal and Mr. Salvador Said Somavía, who were elected during Extraordinary Board Session N°1031 held

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April 14, 2009. It is also comprised by the Chairman of the Board, Mr. Juan Claro González and by the Chief Executive Officer of the Company who participate by own right. This committee meets permanently throughout the year and normally holds three or four monthly sessions.

Directors' Committee

Pursuant to Article 50 bis of Chilean Company Law N°18,046 and in accordance to the dispositions of Circular N°1956 and Circular N°560 of the Chilean Superintendence of Securities and Insurance, a new Directors' Committee was elected during Board Session N°1042 dated January 26, 2010, applying the same election criteria set forth by Circular N°1956. Mr. Heriberto Urzúa Sánchez (as Committee Chairman), Mr. Arturo Majlis Albala, and Mr. Salvador Said Somavía comprise the Committee. Should any of the members be unable to attend a Committee session, their respective alternates will be Mr. Gonzalo Parot Palma, Mr. Cristian Alliende Arriagada and Mr. José Domingo Eluchans Urenda, respectively.

The duties developed by this Committee during 2011, following the same categorization of faculties and responsibilities established by Article 50 bis of Company Law N°18,046 were the following:

DIRECTORS' COMMITTEE

Pursuant to Article 50 bis of Chilean Company Law N°18,046 and in accordance to the dispositions of Circular N°1956 and Circular N°560 of the Chilean Superintendence of Securities and Insurance, a new Directors' Committee was elected during Board Session N°1042 dated January 26, 2010, applying the same election criteria set forth by Circular N°1956. Mr. Heriberto Urzúa Sánchez (as Committee Chairman), Mr. Arturo Majlis Albala, and Mr. Salvador Said Somavía comprise the Committee. Should any of the members be unable to attend a Committee session, their respective alternates will be Mr. Gonzalo Parot Palma, Mr. Cristian Alliende Arriagada and Mr. José Domingo Eluchans Urenda, respectively.

The duties developed by this Committee during 2011, following the same categorization of faculties and responsibilities established by Article 50 bis of Company Law N°18,046 of the Chilean Superintendence of Securities and Insurance, were the following:

- Examine the reports of external auditors, of the balance sheets and other financial statements, presented by the administrators or liquidators of the Company to the shareholders, and to take a position on such reports before they are presented to shareholders for their approval.

  In 2011 these matters were addressed during Sessions: N°93 on January 25; N°96 on April 26; N°99 on July 26; and N°102 on October 25.

- Propose names of External Auditors and Private Rating Agencies, accordingly to the Board of Directors that will then be proposed to the Shareholders' Meeting.

  This matter was addressed during Session N°95 on March 29, 2011.

- Examine information regarding the operations referred to by Title XVI of Law 18,046 and report on these operations. For detailed information regarding these operations, please refer to the table on Note 11 of the Consolidated Financial Statements included in this Form 20F .

  In 2011 these matters were addressed during Sessions: N°94 on February 22; N°96 on April 26; N°97 on May 24; and N°105 on December 22.

- Examine salary and compensation plans for managers, principal officers and employees of the company.

  In 2011 the Committee was informed that the salary systems and compensation plans of the company had not changed since the last reviews addressed during Sessions N°91 on November 30, 2010 and N°92 on December 21, 2010.

- Report to the Board of Directors whether it is convenient or not to hire an external auditing company to render services that do not form part of the external audit, when they are not forbidden in accordance to article 242 of Chilean Law N°18,045, in that the nature of those services may generate a risk of loss of independence.

  In 2011 this matter was addressed during Sessions N°98 on June 28 and N°105 on December 22.

All other matters required by company bylaws or that may be required by the Shareholders' Meeting or by the Board of Directors. During 2011, the following matters were addressed:

- Review anonymous reports: During Sessions: N°93 on January 25; N°94 on February 22; N°95 on March 29; N°96 on April 26; N°97 on May 24; N°98 on June 28; N°99 on July 26: N°100 on August 29; N°101 on September 30; N°102 on October 25; N°103 on November 22; N°104 on December 2; and N°105 on December 22.
- Review and approve Annual Report: Session N°95 on March 29.
- Review and approve 20F and fulfill Rule 404 of the Sarbanes-Oxley Act: Session N°98 on June 28.
- Review contingencies: During Sessions N°93 on January 25, N°99 on July 26, N°100 on August 29; and N°104 on December 2.
- Approve Audit Committee budget: Session N°95 on March 29.
- Review pending legal proceedings: Sessions N°100 on August 29, N° 101 on September 30, N°102 on October 25, N°103 on November 22, N°104 on December 2; and N°105 on December 22.
- Review treatment of expenses on preforms: Session N°103 on November 22.
- Review Internal Control reports: Sessions N°103 on November 22 and N°104 on December 2.

The main expenses incurred by the Directors' Committee have been those resulting from counseling and research in order to optimize the Company's structure. During 2011 these expenses amounted to Ch$29.4 million.

Sarbanes-Oxley Audit Committee

In accordance with NYSE and SEC requirements regarding compliance with the Sarbanes-Oxley Act, the Board of Directors established the first Audit Committee on July 26, 2005. This Audit Committee is renewed every year. During Board Session N°1042 dated January 26, 2010, Mr. Heriberto Urzúa Sánchez, Mr. Arturo Majlis Albala, and Mr. Salvador Said Somavía were elected as members of the Audit Committee. It was determined that Mr. Heriberto Urzúa Sánchez complies with the independence standards set forth in the Sarbanes-Oxley Act, SEC and NYSE regulations. Mr. Heriberto Urzúa Sánchez has been appointed by the Board of Directors as the financial expert in accordance with the definitions of the listing standards of the NYSE and the Sarbanes-Oxley Act.

The resolutions, agreements and organization of the Audit Committee are governed by the rules relating to Board Meetings and to the Company's Directors' Committee. Since its creation, the sessions of the Audit Committee have been held with the Directors' Committee, since some of the functions are very similar and the members of both of these Committees are the same.

The Audit Committee Charter defines the duties and responsibilities of this Committee. The Audit Committee is responsible for analyzing the Company's financial statements; supporting the financial supervision and rendering of accounts; ensuring management's development of reliable internal controls; ensuring compliance by the audit department and external auditors of their respective roles; and reviewing auditing practices.

The main expenses incurred by the Audit Committee have been those resulting from counseling on tax matters. During 2011 these expenses amounted to Ch$3.6 million.

D. Employees

On December 31, 2011, we had 6,030 employees, including 1,732 in Chile, 2,847 in Brazil, and 1,892 in Argentina. Of these employees, 324 were temporary employees in Chile and 343 in Argentina. During the South American summer, it is customary for us to increase the number of employees in order to meet peak demand.

On December 31, 2011, 954, 301, and 1,309 of our employees in Chile, Brazil and Argentina, respectively, were members of unions.

The following table represents a breakdown of our employees for the years ended December 31, 2011, and 2010 :

	2011								
	Chile			Brazil			Argentina		
	Total	Union	Non-Union	Total	Union	Non-Union	Total	Union	Non-Union
Executives	42	—	42	79	2	77	85	—	85
Technicians and professionals	650	315	335	1,451	247	1,204	349	6	343
Workers	716	639	77	1,317	52	1,265	1,115	966	149
Temporary workers	324	—	324	—	—	—	343	337	6
Total	**1,732**	**954**	**778**	**2,847**	**301**	**2,546**	**1,892**	**1,309**	**583**

	2010								
	Chile			Brazil			Argentina		
	Total	Union	Non-Union	Total	Union	Non-Union	Total	Union	Non-Union
Executives	40	—	40	71	1	70	81	—	81
Technicians and professionals	643	320	323	1,233	43	1,190	342	5	337
Workers	699	649	50	1,246	364	882	1,083	933	150
Temporary workers	324	—	324	—	—	—	268	262	6
Total	**1,706**	**969**	**737**	**2,550**	**408**	**2,142**	**1,774**	**1,200**	**574**

Management believes that is has good relations with its employees.

In Chile we continue to make provisions for severance indemnities in accordance with our collective bargaining agreements and labor legislations, in the amount of one month's salary for every year of employment subject to certain restrictions. In addition, we complement our employees' contribution to our health insurance system, thus decreasing health costs for the employees' families. Employees are required to contribute funds for financing pension funds, which are mainly managed by private entities.

In Chile, 67.8% of employees with indefinite work contracts are members of labor unions. The following collective bargaining agreements are in effect as of December 31, 2011: (i) with Labor Union N° 1, that mainly represents workers from the Bottling area, from December 1, 2010 to November 30, 2012; (ii) with Labor Union N°2, that mainly represents personel from the areas of management, logistics and operations specialists from June 1, 2011 to May 31, 2015; (iii) with Labor Union N°3 that mainly represents sales force employees from May 1st, 2010 to April 31, 2014; (iv) with the new salesforce negotiating group from June 1, 2010 to May 31, 2013; (iv) with Labor Union TAR, that represents workers from the distribution area from July 1, 2008 to June 30, 2012; (vi) with the *picking* area workers from the Distribution Centers in Puente Alto, Maipú, Rancagua and San Antonio from September 1, 2010 to August 31, 2014; and with the *picking* area workers from the Venecia, Renca and Carlos Valdovinos branches, from March 2011, to February 28, 2015.

Chilean Law 20,123 (regulates Subcontracting employment) beginning January 16, 2007. The most significant aspects are the following: (i) amendment on the responsibility that the main company formerly had with the workers of its contractors. The main company shared responsibility regarding labor and social security obligations that can affect contractors and subcontractors favoring the workers of the contractors and subcontractors, expressly including the corresponding legal indemnities pursuant to termination of the labor relation of the workers assigned to the services. Nevertheless, this responsibility could be supplementary if the main company exerts information and retention rights in accordance to the law; (ii) an obligation is established for the main company in the sense of adopting necessary measures to effectively protect the life and health of all workers who perform duties for the company, at any of the company's locations; (iii) creation of the concept "temporary services companies" (EST for its meaning in Spanish-*Empresa de Servicios Transitorios*) that are solely and exclusively dedicated to providing workers to third parties as temporary workers for other companies; as well as selection, qualification and formation of workers and other activities within the scope of human resources; and (iv) jurisdictional faculties are granted to *la Direccion del Trabajo* by which resolutions of this organism could be appealed before the respective Court of Appeals. In 2009, Andina implemented different actions to assure a proactive fulfillment of the new law, among other actions, the Company incorporated a group of contractor workers, as company employees, updating service agreements and implementing a Labor Audit system with contractor companies. A Contractor Regulation was established along with an internal procedure for the hiring of contractors, which must be fulfilled permanently, and must include a process of pre-qualification and a compliance assessment.

In Brazil, 11.0% of employees are members of labor unions. Collective bargaining agreements are negotiated on an industry-wide basis, although companies can negotiate special terms for their affiliates that apply to all employees in each jurisdiction where companies have a plant. Collective bargaining agreements are generally binding for one year. With respect to Andina Brazil, there are six collective bargaining agreements currently in force. Four agreements for employees in the State of Rio de Janeiro; (i) the Soft Drink Industry Employees' Union agreement from July 1, 2011 to June 30, 2012; (ii) the

Sales Force Union agreement from October 1, 2011 to September 30, 2012; (iii) the "Stack Machine" Operator Union agreement from May 1, 2011 to April 30, 2012; (iv) the Driver and Helper of the Lagos Region Union agreement from May 1, 2011 through April 30, 2012. Two agreements for employees in the State of Espírito Santo: (i) the Nourishment Union agreement from July 1, 2011 to June 30, 2012; (ii) the Sales Force Union agreement from December 1, 2011 to November 30, 2012. These agreements do not require us to increase wages on a collective basis. Selected increases were granted, however, mainly in the manufacturing area. We provide benefits to our employees according to the relevant legislation and to the collective bargaining agreements. Andina Brazil experienced its most recent work stoppages in January and October 1990, for eight days in each instance.

In Argentina, 69.2% of EDASA''s employees are parties to collective bargaining agreements and are represented by local workers' unions associated with a national federation of unions. The Argentine Chamber of Non-Alcoholic Beverages of the Argentine Republic (*Cámara Argentina de Industria de Bebidas sin Alcohol de la República Argentina* (the "Chamber") and the Argentine Workers Federation of Carbonated Water (*Federación Argentina de Trabajadores de Aguas Gaseosas)* (the "Federation") are parties to a collective bargaining agreement that began July 29, 2008. On November 21, 2010, the Chamber and the Federation entered into a new collective bargaining agreement establishing new salaries, new non salary benefits, a new labor category, new figures for company contributions, contributions and a new complementary regulation on company contributions.

Argentine law requires severance payments upon dismissal without cause in an amount at least equal to an average of one-month's wages for each year of employment or a fraction thereof if employed longer than three months. Severance payments are subject to maximum and minimum amounts fixed by legislations and jurisprudence of the Justice Supreme Court of Argentina.

At the end of 2008 Congress sanctioned Law N° 26,425 by which beginning 2009, private pension funds were eliminated instructing that all employee contributions must be destined to the government social security system, Most of the health system in the Argentine territory is run by the unions through contributions from union and non-union employees.

E. Share Ownership of Directors, Members of the Directors' Committee and Senior Executives

The following table sets forth the amount and percentage of our shares beneficially owned by our directors, members of the Directors' Committee and senior executives as of December 31, 2011

	Series A						Series B					
	Beneficial Owner	% Class	Direct Owner	% Class	Indirect Owner	% Class	Beneficial Owner	% Class	Direct Owner	% Class	Indirect Owner	% Class
Shareholder												
José Antonio Garcés Silva (junior)	—	—	—	—	—	—	—	—	—	—	4,529,700	1.1916%
Arturo Majlis Albala	—	—	—	—	2,150	0.0006	—	—	5,220	0.0014	—	—
Salvador Said Somavía	—	—	—	—	1,000	0.0003	—	—	—	—	1,000	0.0003
Gonzalo Said Handal	50,001,651	13.1536	—	—	—	—	11,761,462	3.094	—	—	4,241,565	1.1158

ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

A. Major Shareholders

The following table sets forth certain information concerning beneficial ownership of our capital stock at December 31, 2011, with respect to the principal shareholders known to us who maintain at least a 5% beneficial ownership in our shares and with respect to all of our directors and executive officers as a group:

	Series A		Series B	
Shareholder	**Shares**	**% Class**	**Shares**	**% Class**
Controlling Shareholders (1)	208,965,796	54.97	161,269,184	42.42
The Bank of New York Mellon(2)	10,120,224	2.66	59,916,810	15.76
The Coca-Cola Company, directly or through subsidiaries	41,962,864	11.04	41,962,864	11.04

Shareholder	Series A		Series B	
	Shares	% Class	Shares	% Class
AFPs as a group (Chilean pension funds)	57,954,803	15.25	5,994,743	1.58
Principal foreign mutual funds as a group	9,713,114	2.56	33,794,992	8.89
Executive officers as a group	165,474	0.04	180,474	0.05
Directors as a group(3)	50,004,801	13.15	20,542,041	5.40

(1) Controlling Shareholders is comprised by: Inversiones Freire Ltda., Inversiones Freire Dos Ltda., Mr. José Antonio Garcés Silva (senior), Mr. José Said Saffie, Mr. Alberto Hurtado Fuenzalida, the estate of Mr. Jaime Said Demaría, Inversiones Nueva Sofía S.A.., Inversiones S.H. Seis Ltda., Inversiones Mar Adentro Ltda., Inversiones HB S.A, Inversiones Caburga S.A., and Inversiones Ledimor Chile Ltda. For more information on the Controlling Shareholders please refer to page 72 of the Company's 2011 Annual Report available on the Company's website: www.embotelladoraandina.com.

(2) Acting as depositary for the ADRs.

(3) Represents shares to which Mr. Gonzalo Said Handal, Mr. José Antonio Garcés Silva (junior), Mr. Salvador Said Somavía and Mr. Arturo Majlis Albala would claim direct and indirect.

The Controlling Shareholders act pursuant to an agreement among partners, dated May 29, 1992 that sets forth that no member of said group may, dispose of his pro rata portion of his shares of stock, unless in accordance with the previously mentioned Agreement.

In connection with TCCC's investment in Andina, the Coca-Cola shareholders and the Controlling Shareholders entered into a Shareholders' Agreement dated September 2, 1996 (the "Shareholders' Agreement"-incorporated as Exhibit xx to the Form 20F), providing for certain restrictions on the transfer of shares of Andina's capital stock by the Coca-Cola Shareholders and the Controlling Shareholders. Specifically, the Controlling Shareholders are restricted from transferring its Series A shares without the prior authorization of TCCC . The Shareholders' Agreement also provides for certain corporate governance matters, including the right of the Coca-Cola shareholders to elect one regular and one alternate member of our board of directors so long as TCCC and its subsidiaries collectively own, in aggregate, at least 4% of the Series A shares. In addition, in related agreements, the Controlling Shareholders granted TCCC an option, exercisable upon the occurrence of certain changes in the beneficial ownership of Freire (majority shareholder of the Controlling Shareholders), to acquire 100% , of the Series A shares held by Freire at a price and in accordance with procedures established in such agreements

An Agreement dated September 5, 1996, entered into by the Controlling Shareholders, the Company and other parties establishes that none of the shareholders, party to the Agreement, may transfer Series A shares of the Company they hold unless it involves:

- Transfers to wholly-owned subsidiaries of any Controlling Shareholder, provided that any shares transferred to such entities remain subject to the provisions of the Agreement;
- Acceptance by a member of the Controlling Shareholders party to the Agreement of a bona fide offer from a third party to purchase some or all of the shares held by such shareholder, so long as the member of the Controlling Shareholder first offers such shares for sale, on the same terms and conditions as those proposed to be sold to the third-party purchaser and to the other shareholder party to the Agreement; and
- A proposal by a shareholder party to the Agreement to sell its shares in a public offering or in a brokers' transaction, so long as it first offers such shares to the other shareholders party to the Agreement at the price proposed in the public sale notice.

B. Related Party Transactions

In the ordinary course of our business, we engage in a variety of transactions with certain of our affiliates and related parties. Financial information concerning these transactions is set forth in Note 11.3 to our Consolidated Financial Statements and were carried out under the following conditions: (i) they were previously approved by the Company's Board of Directors, with the abstainment of the director involved in the corresponding case; (ii) the purpose of these transactions was to contribute to the Company's interest; and (iii) they were consistent to the prevailing market price, terms and conditions at

the time of their aproval . Our Directors' Committee is charged with evaluating transactions with related parties and to report on these transactions to the full board of directors. See "Item 6. Directors, Senior Management and Employees—Directors' Committee."

Our management believes, to the best of its knowledge, it has complied, in all material respects with the Chilean Public Company law regarding to the transactions with related parties in full force and effect at December 31, 2011. There can be no assurance, however, that these regulations will not be modified in the future.

C. Interests of Experts and Counsel

Not applicable.

ITEM 8. FINANCIAL INFORMATION

A. Consolidated Statements and Other Financial Information

See "Item 18 —Financial Statements" for our Consolidated Financial Statements filed as part of this annual report.

Contingencies

We are party to certain legal proceedings that have arisen during the normal course of business, and we believe none of them are likely to have a material adverse effect on our financial condition. In accordance with accounting principles, the provisions regarding legal proceedings must be recorded if said procedures are reasonably probable to be resolved against the Company.

The following table represents accounting provisions made as of December 31, 2011 and 2010, for potential loss contingencies stemming from labor, tax, commercial and other litigation faced by our Company:

	For the period ended December 31,	
	2011 ThCh$	2010 ThCh$
Chile	57,512	29,843
Brazil	6,870,999	3,363,568
Argentina	1,042,324	934,956

Anti-Competition Lawsuit filed by the FNE (Chile's National Economic Prosecutor)

On November 22, 2011 the *Tribunal de Defensa de la Libre Competencia* (Chile's antitrust court, the "TLDC") approved the terms of the conciliation agreement proposed on November 15, 2011 by the Chilean *Fiscalía Nacional Económica* (the National Economic Prosecutor's Office), Embotelladora Latinoamericana S.A., Embotelladora Castel Ltda., Industrial and Comercial Lampa S.A., Sociedad Comercial Antillanca Ltda., Coca-Cola Embonor S.A. and Embotelladora Andina S.A. According to the agreement, the Company assumes several commitments, including the liberation of 20% of the cooling capacity of the equipment that Andina has provided to certain points of sale in the traditional market that do not count with other cooling equipments, and for a term of 5 years. The conciliation agreement does not contemplate payment of fines and in no way constitutes recognition of responsibility of unlawful anti-competitive practices. Consequently, the process initiated before the TDLC on April 19, 2011 has concluded.

On April 28, 2011 the Company was legally informed of an anti-competition lawsuit filed by the Chilean Fiscalía Nacional Económica ("Chile's National Economic Prosecutor", the FNE) before the Tribunal de Defensa de la Libre Competencia ("Chile's Court on Anti-Competition Cases", the TDLC) against Embotelladora Andina S.A. and Coca-Cola Embonor S.A. This lawsuit indicates that said companies would have violated the regulation of free competition by establishing a system of granting incentives in the traditional distribution channel ("mom & pop's") with the purpose that these points of sale do not advertise, exhibit and/or commercialize, in any manner, the so called B-brands or alternative soft drink beverages. Pursuant to the aforementioned, the FNE requires the TDLC to impose a fine to each of the companies amounting to 10,000 Unidades Tributarias Anuales yearly taxable units (currently USD9.6 million approximately).

Dividend Policy

Pursuant to Chilean law, we must distribute cash dividends equal to at least 30% of our annual net income, calculated in accordance with IFRS, unless otherwise provided for by a unanimous vote of the Series A shareholders. If there is no net income in a given year, we are not legally required to distribute dividends from accumulated earnings. At the annual meeting of shareholders held in April 2011, the shareholders authorized the board of directors to distribute, at its discretion, interim dividends during July and October 2011 and January 2012. During 2010 and 2011, the respective shareholders' meetings approved additional dividend payments to be paid from retained earnings fund in light of significant cash generation. There can be no assurance that these additional dividend payments will be available in the future.

The following table sets forth the nominal amount in Chilean pesos of dividends declared and paid per share each year and the U.S. dollar amounts paid to ADR holders, on each of the respective payment dates:

			Series A		Series B	
Year	**Date Dividend Paid**	**Fiscal year with respect to which dividend was declared**	**Ch$ per share (nominal)**	**US$ per ADR**	**Ch$ per share (nominal)**	**US$ per ADR**
2012	23-Jan	2011	8.50	0.01742	9.35	0.01916
	11-May	2011	10.97		12.067	
2011	27-Jan	2010	8.50	0.01734	9.35	0.01907
	12-May	2010	13.44	0.02870	14.784	0.03157
	26-Jul	Retained Earnings	50	0.10811	55	0.11892
	26-Jul	2011	8.50	0.01838	9.35	0.02022
	27-Oct	2011	8.50	0.01696	9.35	0.01866
2010	28-Jan	2009	7.00	0.01344	7.70	0.01479
	28-Apr	2009	11.70	0.02239	12.87	0.02462
	18-May	Retained Earnings	50.00	0.09283	55.00	0.10212
	27-jul	2010	8.50	0.01635	9.35	0.01799
	27-oct	2010	8.50	0.01731	9.35	0.01904
2009	22-Jan	2008	7.00	0.01125	7.70	0.01237
	30-Apr	2008	14.13	0.02401	15.54	0.02641
	28-May	Retained Earnings	43.00	0.07603	47.30	0.08363
	30-Jul	2009	7.00	0.01288	7.70	0.01417
	28-Oct	2009	7.00	0.01314	7.70	0.01445

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B. Significant Changes since the Annual Financial Statements

Not applicable.

ITEM 9. THE OFFER AND LISTING

A. Offer and Listing Details

Shares of Andina's common stock trade in Chile on the *Bolsa de Comercio de Santiago*, the *Bolsa de Valores Electrónica* and the *Bolsa de Valores de Valparaíso*. Also shares of Andina's common stock have traded in the United States on the New York Stock Exchange ("NYSE") since July 14, 1994 in the form of ADRs, which represent six shares of common stock. The Depositary for the ADRs is The Bank of New York Mellon.

The table below shows the high and low daily closing prices of the common stock in Chilean pesos and the trading volume of the common stock on the Santiago Stock Exchange for the periods indicated. It also shows the high and low daily closing prices of the ADRs and the volume traded in the NYSE.

	Share Volume (in thousands)		Ch$ per Share			
	Series A	Series B	Series A		Series B	
			High	Low	High	Low
2007	81,787	242,133	1,750	1,300	1,930	1,420
2008	76,084	147,144	1,426	919	1,581	1,164
2009	63,647	125,476	1,440	1,088	1,740	1,262
2010						
1st Quarter	10,790	20,290	1,433	1,282	1,736	1,621
2nd Quarter	1,217	2,389	1,668	1,423	2,074	1,678
3rd Quarter	1,095	45,210	2,033	1,639	2,406	1,976
4th Quarter	2,094	42,160	2,072	1,904	2,501	2,273
2011						
1st Quarter	15,153	23,597	2,025	1,670	2,411	1,899
2nd Quarter	9,429	19,655	1,924	1,746	2,235	2,071
3rd Quarter	10,555	19,600	1,972	1,586	2,232	1,766
4th Quarter	3,279	16,748	1,931	1,749	2,390	1,991
Last six months:						
Oct-11	1,061	5,563	1,915	1,749	2,323	2,063
Nov-11	521	4,650	1,931	1,810	2,390	2,111
Dec-11	1,000	4,556	1,921	1,817	2,351	1,991
Jan-12	6,386	8,020	1,941	1,842	2,376	2,220
Feb-12						
Mar-12						

	ADR Volume (in thousands)		US$ per Share			
	Series A	Series B	Series A		Series B	
			High	Low	High	Low
2007	5,080	6,346	20.75	13.66	22.55	14.54
2008	2,564	5,459	20.10	8.41	21.79	10.53
2009	1,307	6,366	17.19	10.26	18.50	12.36
2010						
1st Quarter	360	642	12.70	10.26	15.71	12.36
2nd Quarter	171	1,180	15.15	11.87	17.40	13.91
3rd Quarter	265	3,041	15.70	14.15	18.50	16.90
4th Quarter	511	1,503	17.19	15.00	17.19	17.96
2011						
1st Quarter	297	1,764	24.71	19.90	30.26	24.34
2nd Quarter	200	1,161	24.49	21.92	28.75	26.55
3rd Quarter	198	1,153	25.44	19.11	29.30	20.86
4th Quarter	216	1,011	23.96	19.50	29.38	23.46
Last six months:						
Oct-11	30	404	23.23	19.50	28.93	23.46
Nov-11	149	316	23.96	20.02	29.38	24.27
Dec-11	37	291	21.86	20.11	27.34	25.14
Jan-12	216	529	23.15	20.79	28.65	26.12
Feb-12						
Mar-12						

Source:Bloomberg

The total number of registered ADR holders Andina had at December 2011 was 34 (22 in the Series A ADRs and 12 in the Series B ADRs). At December 31, 2011, the ADRs represented 9.2% of the total number of our issued and outstanding shares. On December 31, 2011, the closing price for the Series A shares on the Santiago Stock Exchange was Ch$1,850 per share (US$20.9 per Series A ADR), and Ch$2,270 for the Series B shares (US$25.9 per Series B ADR). At December 31, 2011, there were 1,686,704Series A ADRs (equivalent to 10,120,224Series A shares) and 9,985,835 Series B ADRs (equivalent to 59,915,010 Series B shares).

Trading activity on the Santiago Stock Exchange is on average substantially less than that on the principal national securities exchanges in the United States. We estimate that for the year ended December 31, 2011, Andina's shares were traded on the Santiago Stock Exchange on an average of approximately 81.27% and 100% of such trading days, for Series A and Series B shares respectively.

Other than as previously discussed in "Item 7-Major Shareholders" we are not aware of any other existing contracts or documents that impose material limitations or qualifications on the rights of shareholders of our listed securities.

The Yankee Bonds

Our 7 5/8% Notes due 2027 and 7 7/8% Notes due 2097 are not listed on any stock exchange or other regulated market and through its subsidiary, Abisa Corp S.A. (formerly Pacific Sterling), Embotelladora Andina S.A. repurchased its Yankee Bonds issued on the U.S. Market during the years 2000, 2001, 2002, 2007 and 2008. The entire placement amounted to US$350 million, of which US$200 million are outstanding and are presented after deducting the long-term liability from the other financial liabilities item.

Debt Securities

The Central Bank is responsible, *inter alia*, for Chile's monetary policies and exchange controls. The Central Bank has authorized Chilean issuers to offer bonds in Chile and abroad under the terms of Chapter XIV of the Compendium of Foreign Exchange Regulations (*Compendio de Normas de Cambios Internacionales* or CFER). The following paragraphs summarize some of the Central Bank rules on international bond issuances. This summary does not intend to be complete and those interested in a full description should refer to Chapter XIV of the CFER.

Effective April 19, 2001 the CFER greatly simplified the procedure to register capital contributions, investments and foreign loans, including bonds issuances. Payments or remittances of funds, to or from Chile, in connection with credits granted abroad should be made through the Formal Exchange Market, which is composed by the main commercial banks that operate in Chile. When foreign currency resulting from loans or bonds is made available to the beneficiary in the country, the intervening bank should issue the pertinent "Form" and request certain information from the debtor and creditor, as applicable, pursuant to Chapter XIV.

Payments or remittances of foreign currency as capital, interest, adjustments, profits and other benefits originating in the transactions regulated under Chapter XIV must be reported to the Central Bank as follows: (i) if the foreign currency represents a remittance made from Chile, the intervening Formal Exchange Market bank should issue the above form; (ii) the issuer or borrower should inform the Central Bank, within the first 10 days of the month following the date of the transaction, if the foreign currency used to make the pertinent payments originates from credit transactions for which the foreign currency has been used directly abroad or if the corresponding payment obligation is fulfilled abroad using funds other than those indicated in Chapter XIV.

Any change in the terms of the transaction must be reported to the Central Bank within 10 days after formalization. This requirement applies, among others, to the substitution of the debtor or creditor, total or partial assignments of credits or rights and the modification of the financial terms of the respective credit regarding investments or capital contributions.

Exchange rule amendments dated April 2001 established that transactions recorded prior to April 19, 2001 will continue to be governed by the rules in force at the time they were recorded, but that the parties may choose to apply the new regulations.

These procedures also apply to foreign loans obtained through the placement of convertible bonds, in which case the issuer shall report to the Central Bank any increase or decrease in their registered amount as a result of the conversion of convertible bonds denominated and payable in Chilean pesos, for other convertible bonds denominated and payable in foreign currency or shares, as applicable, acquired by foreign investors with proceeds that had entered Chile under the terms of Chapter XIV.

According to Chapter XIV, the Central Bank established that credits relating to acts, agreements or contracts which create a direct obligation of payment or remittance of foreign currency abroad by persons domiciled or residing in Chile, that exceed on an individual basis the sum of US$100,000 or the equivalent in other foreign currencies, absent any special rule in the CFER, shall be reported to the Chilean Central Bank by the obligor either directly or through a Formal Exchange Market entity using the forms contained in the CFER, within 10 days from formalization.

In February 1999, after obtaining the requisite authorization from the Central Bank, we issued bonds in the international markets, subject to the exchange regulations in effect at that time. The main difference between the exchange regime applicable to our bond issuances and those currently in effect, is that in the case of our bond issuances the Central Banks warrants the access to currency markets. However, the regime applicable to our bond issuance has less flexibility as far as the procedures to carry out payments or remittances to bond holders.

We cannot give any assurance that the Central Bank will not impose future restrictions applicable to the holders of debt securities, nor can we make any evaluation of the duration or impact of such restrictions, if imposed.

B. Markets.

See Item 9. The Offer and Listing — A. Offer and Listing Details.

ITEM 10. ADDITIONAL INFORMATION

A. Share Capital

Not applicable.

B. Memorandum and Articles of Association

Our By-Laws ("*Estatutos*") are incorporated as Exhibit xx to this Form 20F, and are also available on our website www.embotelladoraandina.com, under Corporate Governance/Board of Directors/Deeds of Incorporation

C. Material Contracts

In October 2011, Andina Brazil entered into an agreement with the company "Light Esco — Prestação de Serviços S/A", for the construction and operation of an electrical cogeneration station at the Jacarepaguá bottling facility. The term of this agreement is 15 years, since the date on which the station begins operating, which would enter into operation towards the year 2013 and will ensure the supply of energy for the plant. The estimated value of the agreement is of $738 million reals. At the end of the contractual term, ownership of the cogeneration station will be transferred to Andina Brazil and equipment maintenance and upgrades will be carried out by Light Esco.

On June 30, 2011, Andina Brazil together with the other bottlers of the Coca-Cola System in Brazil, and Recofarma (company of the Coca-Cola Group Brazil), signed an amendement to the agreement with SABB - SISTEMA DE ALIMENTOS E BEBIDAS DO BRASIL, new corporate name of Sucos del Valle, approving the incorporation of Mais Indústria de Alimentos Ltda to SABB, and bottlers remained with 50% of the share capital of SABB. With this agreement, Andina Brazil went on to have a total ownership of 5.74% of the share capital of SABB.

During January of 2011, the juice business in Chile was restructured, allowing the incorporation of the other Coca-Cola bottlers in Chile in the property of Vital S.A. which changed its name to Vital Jugos S.A. Andina, Embonor S.A. and Embotelladora Coca-Cola Polar S.A. own 57%, 28% and 15%, respectively, of the outstanding capital of Vital Jugos S.A.

During 2011, Edasa, among others, entered into the following materially significant agreements: construction of the new plant for raw sugar; purchase of machinery and equipment for the REF PET line N°8 and N°7 (600 bottles per minute) ; construction and equipment for a new filling line for water and sensitive products; supply of natural gas; supply of electric power and long distance and inter-deposit service agreements.

On August 31, 2010, Andina Brazil along with the other Coca-Cola bottlers in Brazil, entered into an agreement with Recofarma (A Coca-Cola Brazil Group company) to transfer all of the shares of Leão Junior S.A. (Matte Leão), by which the bottlers will now hold 50% ownership interest of the capital stock of that company. With this joint venture, Andina Brazil now holds a 18.20% of the capital stock of Leão Junior S.A. With this transfer agreement, Leão Junior S.A. will produce Matte Leão products and supply the bottlers so that they can commercialize them in their respective territories.

During 2009, Edasa entered into the following materially significant agreements: construction of the new juice plant; leasing of processing equipment and filling lines for the juice plant; supply of natural gas; supply of power; and purchase and sale agreement of a blow molding machinery system for PET bottles.

D. Exchange Controls

Foreign Investment and Exchange Controls in Chile

The Central Bank is responsible, among other matters, for setting monetary policies and exchange controls in Chile. As of April 19, 2001, the Chilean Central Bank ("CCB") eliminated prior foreign exchange controls, imposed certain reporting requirements and determined that certain operations be conducted through the Formal Exchange Market ("FEM"). The main purpose of these amendments, as declared by the Central Bank, is to facilitate the flow of capital into Chile and outside the country and to foster foreign investment.

Equity investments in Chile (including investments in stock) by non-resident persons or entities must comply with some of the existing exchange control restrictions. Foreign investments may be registered with the Foreign Investment Committee (*Comité de Inversiones Extranjeras*) in accordance with Law N° 600 of 1974 and amendments or with the Central Bank in accordance with Chapter XIV of the Compendium of Foreign Exchange Regulations (*Compendio de Normas de Cambios Internacionales* or CFER) of the Central Bank. In the case of Decree Law N° 600, foreign investors execute a foreign investment agreement with Chile, thus guaranteeing access to the FEM. However, investors under Decree Law N° 600 will only be able to repatriate capital one-year after the investment. Earnings can be remitted abroad at any time. In the case of CFER, capital as well as earnings can be repatriated at any time, without an agreement with the Central Bank.

During 2001 the CCB eliminated certain exchange controls. For instance, it revoked Chapter XXVI of the CFER, which regulated the issuance and placement of ADRs by Chilean corporations. Pursuant to the new rules, the Central Bank's approval is no longer a pre-condition for ADR issuances or foreign investment contracts with the CCB. ADR issuances are now regarded as an ordinary foreign investment, and the only requirements are that the CCB be informed of the transaction, by fulfilling the rules of Chapter XIV of the CFER, that mainly establishes that the monies come in or leave the country exclusively through the Formal Exchange Market, if the recipient of the investment decides to enter the foreign currency to the country or if it carries out payments or remittances from Chile.

Notwithstanding these changes, exchange transactions authorized prior to April 19, 2001 remained subject to the rules in force as of the date of such transactions. The new exchange regime did not affect Chapter XXVI of the CFER and the Foreign Investment Contract - FIC between Andina, the Central Bank and The Bank of New York Mellon (as depositary of the shares represented by ADRs). Notwithstanding the previous, the parties to the FIC may choose to adopt the norms imposed by the CCB, resigning to those of the FIC, and which has been the option we have taken until this date. The FIC is the agreement by which access to the FEM is given to the depositary and ADR holders. The FIC adopted the dispositions of Chapter XXVI and was celebrated pursuant to Article 47 of the Constitutional Organic Act of the CCB.

Under Chapter XXVI of the CFER, if the funds to purchase the common shares underlying the ADRs are brought into Chile, the depositary must deliver, on behalf of foreign investors, an annex providing information on the transaction to the Formal Exchange Market entity involved, together with a letter instructing such entity to deliver the foreign currency or the equivalency in pesos, on or before the date the foreign currency is brought or is to be brought into Chile.

Repatriation of amounts received with respect to deposited common shares or common shares withdrawn from deposits on surrender of ADRs (including amounts received as cash dividends and proceeds from the sale in Chile of the underlying common shares and any rights arising there from) need be made through the FEM. The FEM entity intervening in the repatriation must provide certain information to the CCB on the following banking business day.

Under Chapter XXVI and the FIC, the CCB agreed to grant to the depositary, on behalf of ADR holders, and to any investor not residing nor domiciled in Chile who acquire shares or replace ADRs for common stock, which we refer to as the Withdrawn Shares, FEM access to convert Chilean pesos into U.S. dollars and to remit those dollars outside Chile including amounts received as: (i) cash dividends; (ii) proceeds from the sale in Chile of Withdrawn Shares; (iii) proceeds from the sale in Chile of preemptive rights to subscribe for additional shares; (iv) proceeds from the liquidation, merger or consolidation of Andina; (v) proceeds resulting from capital decreases or earnings or liquidations; and (vi) other distributions, including those in respect of any re-capitalization resulting from holding shares, ADRs or by Withdrawn Shares.

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The guarantee of FEM access under the FIC will extend to the participants of the ADR offering if the following requirements are met: (i) that the funds to purchase the shares underlying the ADRs are brought into Chile and converted into Chilean pesos through the FEM; (ii) that the purchase of the underlying shares is made on a Chilean stock exchange; and (iii) that within five business days from the conversion of the funds into Chilean pesos, the CCB is informed that the funds converted were used to purchase the underlying shares, if those funds are not invested in shares within that period, it can access the FEM to reacquire foreign currency, provided that the request is submitted to the CCB within seven banking business days of the initial conversion into pesos.

Chapter XXVI provides that FEM access in connection with dividend payments is conditioned to our certifying to the CCB that a dividend payment has been made and that any applicable tax has been withheld. Chapter XXVI also provides that FEM access in connection with the sale of Withdrawn Shares, or distribution thereon, is conditioned upon receipt by the CCB (i) a certificate by the depositary or custodian, as the case may be, that the shares have been withdrawn in exchange for delivery of the appropriate ADRs, and (ii) a waiver of the benefits of the FIC with respect to ADRs (except in connection with the proposed sale of the shares) until the Withdrawn Shares are re-deposited.

FEM access under any of the circumstances described above is not automatic. Pursuant to Chapter XXVI, such access needs the BCC's approval on a request submitted to that end through a banking institution established in Chile. The FIC provides that if the BCC has not acted upon the request within seven banking days, the request is deemed to have been granted.

Under current Chilean law, the BCC cannot unilaterally change the FIC. The Chilean Courts (although not binding on future judicial decisions) also have established that the FIC cannot be annulled by future legislative changes. No assurance can be given, however, that additional Chilean restrictions applicable to the holders of ADRs, to the disposition of underlying shares, or to the repatriation of proceeds from their disposition, will not be imposed in the future; nor can there be any assessment of the duration or impact of any restrictions that might be imposed. If for whatever reason, including changes in the FIC or Chilean law, the Depositary is prevented from converting Chilean pesos into U.S. dollars; the investors shall receive dividends or other payments in Chilean pesos, which shall subject the investors to exchange rate risks. It cannot be assured that the CFER, as amended, or any other exchange regulation will not be amended in the future, or that if new regulations are enacted that they shall have no material bearing on Andina or the ADR holders.

No assurance can be given that Andina will be able to purchase U.S. dollars in the local exchange market at any time in the future, nor that any such purchase will be for the amounts necessary to pay any sum due under any of its capital or debt instruments. Likewise, it is not possible to guarantee that changes to the regulations of the CCB or other legislative changes relating to exchange controls will not restrict nor impair Andina's ability to purchase U.S. dollars in order to make payment on its debt instruments.

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E. Taxation

Tax Considerations Relating to Equity Securities

Chilean Tax Considerations

The following discussion summarizes the material Chilean income tax consequences of an investment in Andina's stock or ADRs by an individual who is not domiciled or resident in Chile or a legal entity that is not organized under the laws of Chile and does not have a permanent establishment in Chile (a "foreign holder"). This discussion is based upon Chilean income tax laws presently in force, including Ruling No. 324 of January 29, 1990 of the *Servicio de Impuestos Internos* (the Chilean Internal Revenue Service or "SII") and other applicable regulations and rulings that are subject to change without notice. The discussion is not intended as a tax advice to any particular investor, which can be rendered only in light of that investor's particular tax situation. Each investor or potential investor is encouraged to seek independent tax advice with respect to consequences of investing in Andina's stock or the ADRs.

Under Chilean law, all matters regarding taxation such as tax rates (including tax rates applicable to foreign investors), the computation of taxable income for Chilean purposes, the manner in which Chilean taxes are imposed and collected, and others thereof, may only be imposed or amended by a law enacted by Congress. In addition, the SII is empowered to issue rulings and regulations of either general or specific application, and to interpret the provisions of Chilean tax law. Chilean tax may not be assessed retroactively against taxpayers who act in good faith relying on such rulings, regulations and interpretations, but the SII may change said rulings, regulations and interpretations prospectively. There is no income tax treaty in force between Chile and the United States.

Cash Dividends and Other Distributions

Dividends we pay with respect to the shares of stock held by a foreign holder will be subject to Chilean withholding tax at a rate of 35% (the "Withholding Tax"). The tax paid by the Company on profits originating from Chile from which the dividends are paid (the "First Category Tax"), imposed at a rate of 17%, will be credited against the Withholding Tax. The credit will increase the base upon which the Withholding Tax is imposed. Consequently, dividends that are attributable to current profits will be subject to an effective dividend withholding tax rate of 21.7%, calculated as follows:

	Ch$
Company taxable income	100.0
First Category Tax (17.0% of Ch$100)	(17.0)
Net distributable income	83.0
Dividend distributed	83.0
Withholding Tax (35% of the sum of Ch$83.0 dividend plus Ch$17.0 First Category Tax paid)	(35.0)
Credit for First Category Tax	17.0
Net additional tax withheld	(18.0)
Net dividend received	65.0
Effective dividend withholding rate (18.0/83.0)	21.7%

Profits originating from Brazil or Argentina have a different tax treatment for credit on First Category Tax.

For purposes of determining the amount of First Category Tax we pay on profits from which the dividends are paid, dividends are attributed to our oldest retained profits.

The two aforementioned factors generate a profit origin mix and thus, an additional net tax withholding.

Dividend distributions made in property will be subject to the same Chilean tax rules as cash dividends. Our stock dividends are not subject to Chilean taxation.

Capital Gains

Gains recognized from the sale or exchange of ADRs by a foreign holder outside Chile will not be subject to Chilean taxation. Gains recognized on a sale or exchange of shares of stock will be subject to both the First Category Tax and the Withholding Tax (the former being credited against the latter) if either: (i) the foreign holder has held the shares of common stock for less than one year, (ii) the foreign holder acquired and disposed of the shares of common stock in the ordinary course of its business or as an habitual trader of shares; or (iii) the foreign holder transfers shares of common stock to a related person, as defined by Chilean tax law. In all other cases, gain on the disposition of shares of common stock will be subject only to the First Category Tax, currently imposed at a rate of 17%, except if it is for shares resulting from an exchange of ADRs for shares (flow back) in which case, the Chilean Internal Revenue Service pursuant to Oficio 1,705 dated May 15, 2006 has interpreted that said shares may benefit from article 18 ter if the ADRs were acquired through a stock broker or by any other circumstance stipulated by that norm.

The tax basis of shares of common stock received in exchange for ADRs will be determined in accordance with the valuation procedure set forth in the deposit agreement, which values shares of common stock at the highest reported sales price at which they trade on the Santiago Stock Exchange on the date of the withdrawal of the shares of common stock from the depositary. Consequently, the conversion of ADRs into shares of common stock, and the immediate sale of the shares for the value established under the deposit agreement, will not generate a capital gain subject to taxation in Chile. However, in the case where the sale of the shares is made on a day that is different than the date in which the exchange is recorded, capital gain subject to taxation in Chile may be generated. In connection thereto, on October 1, 1999 the Chilean Internal Revenue Service issued Ruling No. 3708 whereby it allowed Chilean issuers of ADRs to amend the deposit agreements to which they are parties in order to include a clause that states that, in the case that the exchanged shares are sold by the ADRs' holders on a Chilean Stock Exchange either on the same day in which the exchange is recorded or within the two business days prior to such date, the acquisition price of such exchanged shares shall be the price registered in the invoice issued by the stock broker that participated in the sale transaction. Consequently, should this amendment be included in the deposit agreement, the capital gain that may be generated if the exchange date is different than the date in which the shares received in exchange for ADRs were sold, will not be subject to taxation. We reiterate that if a contributor in good faith adopts Oficio 1,705, then the excess value will not be subject to taxation in Chile.

The distribution and exercise of preemptive rights relating to the shares of common stock will not be subject to Chilean taxation. Any gain on the sale or assignment of preemptive rights relating to the shares of common stock will be subject to both the First Category Tax and the Withholding Tax (the former being credited against the latter).

Other Chilean Taxes

No Chilean inheritance, gift or succession taxes apply to the transfer or disposition of the ADRs by a foreign holder, but such taxes generally will apply to the transfer at death or by gift of shares of common stock by a foreign holder. No Chilean stamp, issue, registration or similar taxes or duties apply to foreign holders of ADRs or shares of common stock.

Withholding Tax Certificates

Upon request, we will provide to foreign holders appropriate documentation evidencing the payment of Chilean withholding taxes.

United States Tax Considerations Relating toADRs or Shares of Common Stock

The following discussion summarizes certain U.S. federal income tax consequences of an investment in ADRs or shares of common stock. This discussion is based upon U.S. federal income tax laws presently in force. The discussion is not a full description of all tax considerations that may be relevant to a decision to purchase ADRs or shares of common stock. In particular, the discussion is directed only to U.S. holders (as defined below) that hold ADRs or shares of common stock as capital assets, and it does not address the tax treatment of holders that are subject to special tax rules under the Internal Revenue Code of 1986 as amended (the "Code"), such as financial institutions, regulated investment companies, real estate investment trusts, investors in pass-through entities, dealers in securities or currencies, traders in securities that elect to use a

mark-to-market method of accounting for their securities holdings, insurance companies, tax-exempt entities, persons holding ADRs or shares of common stock as part of a hedging, integrated, conversion or constructive sale transaction or a straddle, holders of 10% or more of our voting shares, persons liable for alternative minimum tax or persons whose "functional currency" is not the U.S. dollar. Furthermore, the discussion below is based upon the provisions of the Code and regulations, rulings and judicial decisions there under as of the date hereof, and such authorities may be repealed, revoked or modified so as to result in U.S. federal income tax consequences different from those discussed below. In addition, the discussion below assumes that the Deposit Agreement, and all other related agreements, will be performed in accordance with their terms. If a partnership holds our ADRs or shares of common stock, the tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. Partners in a partnership holding ADRs or shares of common stock should consult their tax advisors. This summary does not contain a detailed description of all the United States federal income tax consequences to a holder in light of its particular circumstances and does not address the effects of any state, local or non-United States tax laws. **Prospective purchasers should consult their tax advisors about the federal, state, local and foreign tax consequences to them of the purchase, ownership and disposition of ADRs or shares of common stock.**

As used herein, the term "U.S. holder" means a holder of ADRs or shares of common stock that is (i) an individual U.S. citizen or resident, (ii) a corporation (or any other entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia, (iii) an estate the income of which is subject to U.S. federal income taxation regardless of its source or (iv) a trust that: (a) is subject to the primary supervision of a court within the United States and with respect to which one or more U.S. persons have the authority to control all substantial decisions of the trust or (b) has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person.

If the obligations contemplated by the deposit agreement are performed in accordance with its terms, ADR holders generally will be treated for U.S. federal income tax purposes as the owners of the shares of common stock represented by those ADRs. Deposits or withdrawals of shares of common stock by U.S. holders in exchange for ADRs will not result in the realization of gain or loss for U.S. federal income tax purposes. The U.S. Treasury has expressed concerns that intermediaries in the chain of ownership bewtween the holder of an ADR and the issuer of the security underlying the ADR may be taking actions that are inconsistent with the claiming of foreign tax credits for U.S. holders of ADRs. Such actions would also be inconsistent with the claiming of the reduced rate of tax, described below, applicable to dividends received by certain non-corporate holders. Accordingly, the analysis of the creditability of Chilean taxes and the availability of the reduced tax rate for dividends received by certain non-corporate holders, each described below, could be affected by actions taken by that intermediaries in the chain of ownership bewtween the holder of an ADR and the Company.

Cash Dividends and Other Distributions

Cash dividends (including the amount of any Chilean taxes withheld) paid to U.S. holders with respect to the ADRs or shares of common stock generally will be treated as dividend income to such U.S. holders, to the extent paid out of current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Such income will be includable in the gross income of a U.S. holder as ordinary income on the day received by the Depositary, in the case of ADRs, or by the U.S. holder, in the case of shares of common stock. The dividends will not be eligible for the dividends received deduction allowed to corporations under the Code. With respect to non-corporate U.S. holders, certain dividends received before January 1, 2011 from a qualified foreign corporation may be subject to reduced rates of taxation. A foreign corporation is treated as a qualified foreign corporation with respect to dividends received from that corporation on shares (or ADRs backed by such shares) that are readily tradable on an established securities market in the United States. U.S. Treasury Department guidance indicates that our ADRs (which are listed on the New York Stock Exchange), but not our shares of common stock, are readily tradable on an established securities market in the United States. Thus, we do not believe that dividends that we pay on our shares of our common stock that are not backed by ADRs currently meet the conditions required for these reduced tax rates. There can be no assurance that our ADRs will be considered readily tradable on an established securities market in later years. Non-corporate holders that do not meet a minimum holding period requirement during which they are not protected from the risk of loss or that elect to treat the dividend income as "investment income" pursuant to section 163(d)(4) of the Code will not be eligible for the reduced rates of taxation regardless of our status as a qualified foreign corporation. In addition, the rate reduction will not apply to dividends if the recipient of a dividend is obligated to make related payments with respect to positions in substantially similar or related property. This disallowance applies even if the minimum holding period has been met. Non-corporate U.S. holders should consult their own tax advisors regarding the application of these rules given their particular circumstances.

Dividends paid in Chilean pesos will be includable in income in a U.S. dollar amount based on the exchange rate in effect on the day of receipt by the Depositary, in the case of ADRs, or by the U.S. holder in the case of shares of common stock, regardless of whether the Chilean pesos are converted into U.S. dollars. If the Chilean pesos received as dividends are not converted into U.S. dollars on the date of receipt, a U.S. holder will have a basis in the Chilean pesos equal to their U.S. dollar value on the date of receipt. Any gain or loss realized on a subsequent conversion or other disposition of the Chilean pesos will be treated as U.S. source ordinary income or loss, regardless of whether the pesos are converted into U.S. dollars.

The Chilean Withholding Tax (net of any credit for the First Category Tax) paid by or for the account of any U.S. holder may be eligible, subject to generally applicable limitations and conditions, for credit against the U.S. holder's federal income tax liability. For purposes of calculating the foreign tax credit, dividends paid with respect to the ADRs or shares of common stock generally will be foreign source income and will generally constitute passive category income. Further, in certain circumstances, a U.S. holder that (i) has held ADRs or shares of common stock for less than a specified minimum period during which it is not protected from risk of loss or (ii) is obligated to make payments related to the dividends, will not be allowed a foreign tax credit for foreign taxes imposed on dividends paid on ADRs or shares of common stock. The rules governing the foreign tax credit are complex. Investors are urged to consult their tax advisors regarding the availability of the foreign tax credit under their particular circumstances.

Distributions to U.S. holders of additional shares of common stock or preemptive rights with respect to shares of common stock that are made as part of a pro rata distribution to all shareholders of the Company generally should not be subject to U.S. federal income tax.

To the extent that the amount of any distribution exceeds our current and accumulated earnings and profits for a taxable year, as determined under U.S. federal income tax principles, the distribution will first be treated as a tax-free return of capital, causing a reduction in the adjusted basis of the ADRs or shares of common stock (thereby increasing the amount of gain, or decreasing the amount of loss, to be recognized by the investor on a subsequent disposition of the ADRs or shares of common stock), and the balance in excess of adjusted basis will be taxed as capital gain recognized on a sale or exchange. Consequently, such distributions in excess of our current and accumulated earnings and profits generally would not give rise to foreign source income and a U.S. holder generally would not be able to use the foreign tax credit arising from any Chilean withholding tax imposed on such distributions unless such credit can be applied (subject to applicable limitations) against U.S. taxes due on other foreign source income in the appropriate category for foreign tax credit purposes. However, we do not expect to keep earnings and profits in accordance with U.S. federal income tax principles. Therefore, a U.S. holder should expect that a distribution will generally be treated as a dividend (as discussed above).

We do not believe that we are, for U.S. federal income tax purposes, a passive foreign investment company (a "PFIC"), and expect to continue our operations in such a manner that we will not be a PFIC. If, however, we are or become a PFIC, U.S. holders could be subject to additional U.S. federal income taxes on gain recognized with respect to the ADRs or shares of common stock and on certain distributions, plus an interest charge on certain taxes treated as having been deferred by the U.S. holder under the PFIC rules of the U.S. federal income tax laws.

Non-corporate U.S. holders will not be eligible for reduced rates of taxation on any dividends received from us prior to January 1, 2011, if we are a PFIC in the taxable year in which such dividends are paid or in the preceding taxable year.

Capital Gains

U.S. holders that hold ADRs or shares of common stock as capital assets will recognize capital gain or loss for federal income tax purposes on the sale or other disposition of such ADRs or shares (or preemptive rights with respect to such shares) held by the U.S. holder or the Depositary. Capital gains of individuals derived with respect to capital assets held for more than one year are eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations. Any gain or loss recognized by a U.S. holder generally will be treated as U.S. source gain or loss. Consequently, in the case of a disposition of shares of common stock (which, unlike a disposition of ADRs, may be taxable in Chile), the U.S. holder may not be able to use the foreign tax credit for Chilean tax imposed on the gain unless it can apply (subject to applicable limitations) the credit against tax due on other income from foreign sources.

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Estate and Gift Taxation

As discussed above under "Chilean Tax Considerations — Other Chilean Taxes," there are no Chilean inheritance, gift or succession taxes applicable to the transfer or disposition of ADRs by a foreign holder, but such taxes generally will apply to the transfer at death or by gift of shares of common stock by a foreign holder. The amount of any inheritance tax paid to Chile may be eligible for credit against the amount of U.S. federal estate tax imposed on the estate of a U.S. holder. U.S. holders should consult their personal tax advisors to determine whether and to what extent they may be entitled to such credit. The Chilean gift tax generally will not be treated as a creditable foreign tax for U.S. tax purposes.

Information Reporting and Backup Withholding

In general, information reporting requirements will apply to dividends in respect of ADRs or the shares of common stock or the proceeds received on the sale, exchange, or redemption of the ADRs or the shares of common stock paid within the United States (and in certain cases, outside of the United States) to U.S. holders other than certain exempt recipients. A backup withholding tax may apply to such payments if the U.S. holder fails to provide an accurate taxpayer identification number or certification of other exempt status or fails to report interest and dividends required to be shown on its federal income tax returns. The amount of any backup withholding from a payment to a U.S. holder will be allowed as a refund or a credit against the U.S. holder's U.S. federal income tax liability, provided the required information is furnished to the Internal Revenue Service.

Tax Considerations Relating to Debt Securities

General

In October 1997, we issued US$100 million of 7.625% Unsecured Notes due 2027 and US$100 million of 7.875% Unsecured Notes due 2097 (together the "Debt Securities"). The following is a summary of certain Chilean tax and U.S. federal income tax considerations relating to the purchase, ownership and disposition of Debt Securities. The summary does not purport to be a comprehensive description of all tax considerations that may be relevant to a decision to purchase Debt Securities. This summary does not describe any tax consequences arising under the laws of any state, locality or taxing jurisdiction other than the United States and Chile.

This summary is based on the tax laws of Chile and the United States as in effect on the date hereof, as well as regulations, rulings and decisions of Chile and the United States available on or before such date and now in effect. All of the foregoing is subject to change, which change could apply retroactively and could affect the continued validity of this summary.

There is currently no tax treaty between the United States and Chile.

Chilean Tax Considerations

The following is a general summary of the material consequences under Chilean tax law, as currently in effect, of an investment in the Debt Securities made by a Foreign Holder. The term "Foreign Holder" means: (i) an individual, who is not a resident in Chile (for purposes of Chilean taxation, an individual is resident in Chile if he or she has resided in Chile for more than six months in one calendar year, or a total of more than six months in two consecutive fiscal years); or (ii) a legal entity that is not organized under the laws of Chile, unless the Debt Securities are assigned to a branch or an agent, representative or permanent establishment of such entity in Chile.

Under Chile's Income Tax Law, payments of interest made in respect of the Debt Securities to a Foreign Holder will generally be subject to a Chilean withholding tax (the "Chilean Interest Withholding Tax") currently assessed at a rate of 4.0%. If the Debt Securities are issued through our offshore branch, payment to Foreign Holders of Debt Securities by such branch generally will not be subject to the Chilean withholding tax.

Chile's Income Tax Law provides that any capital gains realized on the sale or other disposition by a Foreign Holder of the Debt Securities generally will not be subject to any Chilean income taxes provided that such sale or other disposition occurs outside of Chile (except that any premium payable on redemption of the Debt Securities will be treated as interest and subject to the Chilean Interest Withholding Tax, as described above).

A Foreign Holder will not be liable for gift, inheritance or similar taxes with respect to its holdings unless the securities held by a foreign holder:

- are located in Chile at the time of such Foreign Holder's death, or
- if they are located outside of Chile, they were purchased or acquired with funds derived from Chilean source income,

The initial issuance of the Debt Securities by a foreign entity (be they a company or a branch) is generally not subject to stamp taxes in Chile. If stamp taxes apply, a foreign or Chilean holder will not be liable for Chilean stamp, registration or similar taxes because these would be payable by the Company.

United States Tax Considerations Relating to Debt Securities

The following summary describes certain U.S. federal income tax consequences of the ownership of Debt Securities by U.S. holders (as defined below) as of the date hereof. Except where noted, it deals only with Debt Securities held as capital assets and does not deal with special situations, such as those of dealers in securities or currencies, financial institutions, insurance companies, regulated investment companies, real estate investment trusts, tax-exempt entities, investors in pass-through entities, persons holding the Debt Securities as a part of a hedging, integrated, conversion or constructive sale transaction or a straddle, traders in securities that elect to use a mark-to-market method of accounting for their securities holdings, persons liable for the alternative minimum tax or holders of Debt Securities whose "functional currency" is not the U.S. dollar. Furthermore, the discussion below is based upon the provisions of the Code, and regulations, rulings and judicial decisions there under as of the date hereof, and such authorities may be repealed, revoked or modified so as to result in U.S. federal income tax consequences different from those discussed below. If a partnership holds our Debt Securities, the tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. Partners in a partnership holding our Debt Securities should consult their tax advisors.

Persons considering the purchase, ownership or disposition of the Debt Securities should consult their own tax advisors concerning the federal income tax consequences in light of their particular situations as well as any consequences arising under the laws of any other taxing jurisdiction.

As used herein, a "U.S. holder" of the Debt Securities means a holder of the Debt Securities that is (i) an individual U.S. citizen or resident, (ii) a corporation (or any other entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia, (iii) an estate the income of which is subject to U.S. federal income taxation regardless of its source or (iv) a trust that (a) is subject to the primary supervision of a court within the United States and with respect to which one or more U.S. persons have the authority to control all substantial decision of the trust or (b) has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person.

Payments of Interest

Interest on the Debt Securities will generally be taxable to a U.S. holder as ordinary income at the time it is paid or accrued in accordance with the U.S. holder's method of accounting for tax purposes. In addition to interest on the Debt Securities, a U.S. holder will be required to include in income any additional amounts and any tax withheld from interest payments notwithstanding that such withheld tax is not in fact received by such U.S. holder. A U.S. holder may be entitled to deduct or credit such tax, subject to applicable limitations in the Code, including that the election to deduct or credit foreign taxes applies to all of the U.S. holder's foreign taxes for a particular year. Interest income, including Chilean taxes withheld there from and additional amounts on the Debt Securities, generally will constitute foreign source income and generally will be considered passive category income, which is treated separately from other types of income in computing the foreign tax credit that may be allowable to U.S. holders under U.S. federal tax laws. A U.S. holder will generally be denied a foreign tax credit for Chilean taxes imposed with respect to the Debt Securities where such a holder does not meet a minimum holding period requirement during which the holder is not protected from risk of loss.

The rules governing the foreign tax credit are complex. We urge investors to consult their tax advisors regarding the availability of the foreign tax credit under their particular circumstances.

Market Discount

If a U.S. holder purchases a Debt Security for an amount that is less than its principal amount, the amount of the difference will be treated as "market discount" for U.S. federal income tax purposes, unless that difference is less than a specified de minimis amount. Under the market discount rules, the U.S. holder will be required to treat any principal payment on, or any gain on the sale, exchange, retirement or other disposition of, a Debt Security as ordinary income to the extent of the market discount that the U.S. holder has not previously included in income and is treated as having accrued on the Debt Security at the time of its payment or disposition.

In addition, the U.S. holder may be required to defer, until the maturity of the Debt Security or its earlier disposition in a taxable transaction, the deduction of all or a portion of the interest expense on any indebtedness attributable to the Debt Security. A U.S. holder may elect, on a bond-by-bond basis, to deduct the deferred interest expense in a tax year prior to the year of disposition. U.S. holders should consult their own tax advisors before making this election.

Any market discount will be considered to accrue ratably during the period from the date of acquisition to the maturity date of the Debt Security, unless the U.S. holder elects to accrue on a constant interest method. A U.S. holder may elect to include market discount in income currently as it accrues, on either a ratable or constant interest method, in which case the rule described above regarding deferral of interest deductions will not apply.

Amortizable Bond Premium

A U.S. holder that purchases a Debt Security for an amount in excess of its principal amount will be considered to have purchased the Debt Security at a "premium." The U.S. holder may elect to amortize the premium over the remaining term of the Debt Security on a constant yield method as an offset to interest when includible in income under the holder's regular accounting method. If the U.S. holder does not elect to amortize bond premium, that premium will decrease the gain or increase the loss the holder would otherwise recognize on disposition of the Debt Security.

Sale, Exchange and Retirement of Debt Securities

Upon the sale, exchange, retirement or other disposition of the Debt Securities, a U.S. holder will recognize gain or loss equal to the difference between the amount realized upon the sale, exchange, retirement or other disposition (less any accrued interest, which will be taxable as such if not previously included in income) and the U.S. holder's adjusted tax basis in the Debt Securities. A U.S. holder's tax basis in the Debt Securities generally will be the U.S. holder's cost therefore, increased by market discount previously included in income, and reduced by any amortized premium. Except as described above with respect to market discount, gain or loss realized by a U.S. holder on the sale, exchange, retirement or other disposition of the Debt Securities will generally be capital gain or loss. Gain or loss realized by a U.S. holder on the sale, exchange, retirement or other disposition of the Debt Securities will generally be treated as U.S. source gain or loss. Consequently, a U.S. holder may not be able to claim a credit for any Chilean tax imposed on the sale, exchange, retirement or other disposition of the Debt Securities due to limitations on the foreign tax credit under the Code. Capital gains of individuals derived with respect to capital assets held for more than one year are eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations.

Information Reporting and Backup Withholding

In general, information reporting requirements will apply to certain payments of principal and interest on the Debt Securities and to the proceeds of the sale of the Debt Securities made to U.S. holders other than certain exempt recipients. A backup withholding tax will apply to such payments if the U.S. holder fails to provide its taxpayer identification number or a certification of exempt status, or, in the case of interest payments, fails either to report in full dividend and interest income or to make certain certifications.

Any amounts withheld under the backup withholding rules will be allowed as a refund or a credit against the U.S. holder's U.S. federal income tax liability provided the required information is furnished to the Internal Revenue Service.

Special Tax Considerations Relating to the 2097 Debentures

As a result of the 2097 Debentures' 100 year term, it is not certain whether such Debentures will be treated as debt or as equity for U.S. federal income tax purposes. We have taken the position that the 2097 Debentures constitute debt for financial reporting and U.S. federal income tax purposes. Our position, however, is not binding on the Internal Revenue Service. Although classification of the 2097 Debentures as equity generally would not significantly affect a U.S. holder's taxable income resulting from an investment in the 2097 Debentures, the discussion that follows also briefly describes certain U.S. federal income tax consequences that would arise if the 2097 Debentures were not treated as debt for U.S. federal income tax purposes.

If the 2097 Debentures are treated as equity for U.S. federal income tax purposes, the potential differences in the U.S. federal income tax treatment to U.S. holders of the 2097 Debentures that would result include (i) payments denominated as interest on the 2097 Debentures (including additional amounts) would be reclassified as dividends to the extent paid out of the current or accumulated earnings and profits of the Company (as determined using U.S. federal income tax principles) and (ii) U.S. holders would be required to report such payment amounts as ordinary income when actually or constructively received (instead of accruing such amounts as interest, even if such U.S. holders are accrual method taxpayers). To the extent any such payments exceed such earnings and profits, they would be treated as a return of capital or capital gain (although, as we do not expect to keep earnings and profits in accordance with U.S. federal income tax principles. U.S. holders should expect that such payments will generally be treated as dividends). Amounts treated as dividends will not be eligible for the dividends received deduction generally allowed U.S. corporations. In addition, because our 2097 Debentures are not readily tradable on an established securities market in the United States, we do not believe that any amounts treated as dividends currently meet the conditions required for the reduced tax rates that apply to qualified dividend income received by non-corporate U.S. holders. **Persons considering the purchase, ownership or disposition of the 2097 Debentures should consult their own tax advisors concerning additional potential tax consequences, including those arising upon a sale, exchange or redemption of the 2097 Debentures, which could result from the treatment of the 2097 Debentures as equity for U.S. federal income tax purposes.**

F. Dividends and Paying Agents

Not applicable.

G. Statement by Experts

Not applicable.

H. Documents on Display

We are subject to the informational reporting requirements of the U.S. Securities Exchange Act of 1934, as amended, which requires that we file periodic reports and other information with the SEC. As a foreign private issuer, we file annual reports on Form 20-F as opposed to Form 10-K. We do not file quarterly reports on Form 10-Q but furnish quarterly reports and reports in relation to material events on Form 6-K. As a foreign private issuer, we are exempt from the rules under the U.S. Securities Exchange Act of 1934, as amended, prescribing the furnishing and content of proxy statements and short-swing profit disclosure and liability.

You may read and copy all or any portion of the annual report or other information in our files in the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549. You can also access these documents through the SEC's website at www.sec.gov or from our corporate website www.embotelladoraandina.com or request a hard copy through our website also. You can also request copies of these documents upon payment of a duplicating fee, by writing to the SEC. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference rooms. In addition, reports and other information concerning us may be inspected at the offices of the New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005, on which our ADRs are listed.

We also file reports with the Chilean *Superintendencia de Valores y Seguros*. You may read and copy any materials filed with the SVS directly from its website www.svs.cl of from our corporate website www.embotelladoraandina.com or request a hard copy through our website also. The documents referred to in this annual report can be inspected at El Golf 40 Oficina 401, Las Condes, Santiago, Chile.

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I. Subsidiary Information

Not applicable.

ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market risk generally represents the risk that losses may occur in the values of financial instruments as a result of movements in interest rates, foreign currency exchange rates and commodity prices. We are exposed to changes in financial market conditions in the normal course of our business due to our use of certain financial instruments as well as transacting in various foreign currencies and translation of our foreign subsidiaries' financial statements into the Chilean peso.

Interest Rate Risk

Our primary interest rate exposures relate to U.S. dollar denominated and UF long-term fixed rate bond liabilities and other long-term variable and fixed rate bank liabilities. We also invest in certain medium-term bond securities that bear a fixed interest rate. We monitor our exposure to interest rate fluctuations regularly depending on market conditions.

The following table provides information about our long-term debt and bond investments that are sensitive to changes in market interest rates as of December 31, 2011.

	Expected Maturity Date							Estimated Fair Market Value
	2012	2013	2014	2015	2016	There-after	Total	Total
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Interest Earning Assets								
Time deposits and credit links	14,249	—	—	—	—	—	14,249	14,249
Weighted average interest rate	4.75%	—	—	—	—	—	4.75%	—
Interest Bearing Liabilities								
Long-term debt	3,427	3,241	3,471	3,717	3,981	55,149	72,986	89,523
Fixed Rate	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	—
Bank liabilities	8,503	1,171	1,171	1,171	1,171	—	13,187	13,187
Weighted average interest rate	10.39%	9.90%	9.90%	9.90%	9.90%	—	10.48%	—
Variable Rate								
Bank liabilities	187	159	159	80	—	—	585	585
Weighted average interest rate	9.40%	9.40%	9.40%	9.40%	9.40%	—	9.40%	—

Foreign Currency Risk

At December 31, 2011, the Company does not have long-term interest bearing debt subject to exchange rate fluctuations between the Chilean peso and the U.S. dollar. The company maintains cash, short term deposits and money market mutual funds in U.S. dollars amounting to Ch$2,968 million at December 31, 2011

The following table summarizes the financial instruments denominated in US dollars we held as of December 31, 2011.

	Expected Maturity Date							Estimated Fair
Assets	2012	2013	2014	2015	2016	Thereafter	Total	Market Value
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
US$ denominated:								
Cash	90	—	—	—	—	—	90	90
Money market mutual funds	2,878	—	—	—	—	—	2,878	2,878

ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

Not applicable.

ITEM 12.D.3. AMERICAN DEPOSITARY RECEIPITS

The Bank of New York Mellon serves as the depositary for our ADRs. ADR holders are required to pay various fees to the depositary, and the depositary may refuse to provide any service for which a fee is assessed until the applicable fee has been paid.

ADR holders are required to pay the depositary amounts in respect of expenses incurred by the depositary or its agents on behalf of ADR holders, including expenses arising from compliance with applicable law, taxes or other governmental charges, or conversion of foreign currency into U.S. dollars. The depositary may decide in its sole discretion to seek payment by either billing holders or by deducting the fee from one or more cash dividends or other cash distributions.

ADR holders are also required to pay additional fees for certain services provided by the depositary, as set forth in the table below.

Depositary service	Fee payable by ADR holders
Issuance and delivery of ADRs, including in connection with share distributions	Up to US$ 5.00 per 100 ADSs (or portion thereof)
Withdrawal of shares underlying ADRs	Up to US$ 5.00 per 100 ADSs (or portion thereof)
Registration for the transfer of shares	Registration or transfer fees that may from time to time be in effect
Cash distribution fees	US$ 0.02 or less per ADS

In addition, holders may be required to pay a fee for the distribution or sale of securities. Such fee (which may be deducted from such proceeds) would be for an amount equal to the lesser of (1) the fee for the issuance of ADRs that would be charged as if the securities were treated as deposited shares and (2) the amount of such proceeds.

12.D.4 DIRECT AND INDIRECT PAYMENTS BY THE DEPOSITARY

Fees Incurred in Past Annual Period

From January 1, 2010 to December 31, 2011, the Company received from the depositary US$182,412.55 for continuing annual stock exchange listing fees, standard out-of-pocket maintenance costs for the ADRs (consisting of the expenses of postage and envelopes for mailing annual and interim financial reports, printing and distributing dividend checks, electronic filing of U.S. Federal tax information, mailing required tax forms, stationery, postage, facsimile, and telephone calls), any applicable performance indicators relating to the ADR facility, underwriting fees and legal fees.

Fees to be Paid in the Future

The Bank of New York Mellon, as depositary, has agreed to reimburse the Company for expenses they incur that are related to establishment and maintenance expenses of the ADR program. The depositary has agreed to reimburse the Company for its continuing annual stock exchange listing fees. The depositary has also agreed to pay the standard out-of-pocket maintenance costs for the ADRs, which consist of the expenses of postage and envelopes for mailing annual and interim financial reports, printing and distributing dividend checks, electronic filing of U.S. Federal tax information, mailing required tax forms, stationery, postage, facsimile, and telephone calls. It has also agreed to reimburse the Company annually for certain investor relationship programs or special investor relations promotional activities. In certain instances, the depositary has agreed to provide additional payments to the Company based on any applicable performance indicators relating to the ADR facility. There are limits on the amount of expenses for which the depositary will reimburse the Company, but the amount of reimbursement available to the Company is not necessarily tied to the amount of fees the depositary collects from investors.

The depositary collects its fees for delivery and surrender of ADRs directly from investors depositing shares or surrendering ADRs for the purpose of withdrawal or from intermediaries acting for them. The depositary collects fees for making distributions to investors by deducting those fees from the amounts distributed or by selling a portion of distributable property to pay the fees. The depositary may collect its annual fee for depositary services by deduction from cash distributions or by directly billing investors or by charging the book-entry system accounts of participants acting for them. The depositary may generally refuse to provide fee-attracting services until its fees for those services are paid.

PART II

ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

Not applicable.

ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

The information requested by this item has been previously provided in the annual report for the year 2004. See "Item 4. Information on the Company—Part A. History and Development of the Company."

ITEM 15. CONTROLS AND DISCLOSURE PROCEDURES

Evaluation of disclosure controls and procedures.

Under the supervision and with the participation of our management, including our Chief Executive Officer, Chief Financial Officer, we have evaluated the effectiveness of the design and operation of our disclosure controls and procedures as of December 31, 2011. Based on that evaluation, our Chief Executive Officer, Chief Financial Officer have concluded that these controls and procedures are effective to ensure that information required to be disclosed in the reports that we file or submit under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to management as appropriate to allow timely decisions regarding required disclosure.

Management's Annual Report on Internal Control over Financial Reporting.

Company management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rule 13a-15(f) or 15d-15(f) promulgated under the Securities Exchange Act of 1934, as amended, as a process designed by, or under the supervision of, the Company's Chief Executive Officer, Chief Financial Officer and effected by the Company's Board of Directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that: (i) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the Company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisitions, use or disposition of the Company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness as to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

The Company's management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2011. In making this assessment, the Company's management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control-Integrated Framework. Based on our assessment, management concluded that, as of December 31, 2011, the Company's internal control over financial reporting was effective based on those criteria.

The effectiveness of the Company's internal control over financial reporting as of December 31, 2011 has been audited by the Company's registered independent accounting firm, which opinion is stated in their report, included herein.

Changes in Internal Controls over Financial Reporting.

There were no changes in our internal control over financial reporting during the year ended December 31, 2011 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT

Our board of directors has determined that Mr. Heriberto Urzúa Sánchez is our Audit Committee Financial Expert as defined in the instructions to Item 16A of Form 20-F. Our board of directors has also determined that Mr. Heriberto Urzúa Sánchez is an Independent Director as defined in Section 303A.02 of the NYSE's Listed Company Manual.

ITEM 16B. CODE OF ETHICS

We have adopted a Code of Business Conduct that constitutes a code of ethics for our employees. This Code applies to our Chief Executive Officer and all senior financial officers of our Company, including the Chief Financial Officer or any other persons performing similar functions, as well as to all other officers and employees of the Company. Our Code of Business Conduct is available on our website www.embotelladoraandina.com. If we make any substantive amendment to the Code or grant any waivers, including any implicit waiver, from a provision of the Code, we will disclose the nature of such amendment or waiver on the above mentioned website through a 6-K form.

ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Fees Paid To Independent Public Accountants

The following table sets forth, for each of the years indicated, the kinds of fees paid to our external auditors and the percentage of each of the fees out of the total amount paid to them.

	Year Ended December 31,			
	2011		2010	
Services rendered	Fees MCh$	% of Total Fees	Fees MCh$	% of Total Fees
Audit fees(1)	545	95%	496	88%
Audit-related fees(2)	16	3%	52	9%
Tax fees(3)	10	2%	17	3%
Total	571	100%	565	100%

(1) *Audit fees consist of services that would normally be provided in connection with statutory and regulatory filings or engagements, including services that generally only the independent accountant can reasonably provide.*
(2) *Audit-related fees relate to assurance and associated services that traditionally are performed by the independent accountant, including: attest services that are not required by statute or regulation; accounting consultation and audits in connection with mergers, acquisitions and divestitures; employee benefit plans audits; and consultation concerning financial accounting and reporting standards.*
(3) *Tax fees relate to services performed by the tax division for tax compliance, planning, and advice.*

Directors' Committee and Audit Committee Pre-Approval Policies and Procedures

We have adopted pre-approval policies and procedures under which all audit and non-audit services provided by our external auditors must be pre-approved by our Director's Committee and Audit Committee and then it is discussed and approved by these committees during its meetings, which take place at least four times a year. Once the proposed service is

approved, our subsidiaries or we formalize the engagement of services. In addition, the members of our board of directors are briefed on matters discussed by the different committees of our board of directors.

ITEM 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES

The Company's Audit Committee is comprised of Salvador Said Somavía, Heriberto Urzúa Sánchez, Arturo Majlis Albala.

The Company discloses that, with respect to the current membership of Mr. Salvador Said and Mr. Arturo Majlis Albala on the Company's Audit Committee, it has relied on the exemption from the independence requirements provided by Rule 10A-3(b)(1)(iv)(D) of the Securities and Exchange Act of 1934, as amended . Pursuant to said rule, a director who is either an affiliate or a representative of an affiliate of the listed company may serve as a member of the audit committee to the extent the director is not a voting member or chairperson of the audit committee and to the extent that neither the director nor the affiliate the director represents is an executive officer of the listed company.

Mr. Salvador Said and Mr. Arturo Majlis Albala meet, for the duration of their membership, the requirements of Rule 10A-3(b)(1)(iv)(D) because they (i) are a representative of the controlling shareholder of the Company, Inversiones Freire Ltda.; (ii) have an observer-only status on the audit committee of the Company; and (iii) are not officers of the Company.

The Company's reliance on the exemption provided by Rule 10A-3of the Exchange Act, with respect to Mr. Salvador Said and Mr. Juan Claro, would not materially adversely affect the ability of the audit committee of the Company to act independently.

ITEM 16E. PURCHASERS OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

During 2011, no issuer or affiliated parties made purchases pursuant to publicly announced plans or programs or not pursuant to such plans.

ITEM 16F. CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT

Not Applicable.

ITEM 16G. CORPORATE GOVERNANCE

NYSE and Chilean Corporate Governance Requirements

In accordance with Section 303A.11 of the NYSE's Listed Company Manual, the following table sets forth significant differences between Chilean corporate governance practices and those corporate governance practices followed by domestic corporations under NYSE listing standards. Significant ways in which our corporate governance practices differ from those followed by U.S. companies under NYSE listing standards are also publicly available on our website at www.embotelladoraandina.com.

ITEM	NYSE REQUIREMENTS	CHILEAN LAW REQUIREMENTS
303A.01 Independence	Members of the Board of Directors must be independent in their majority.	There is no legal obligation to have a Board of Directors composed mainly of independent members. In addition, according to section 303A regarding Controlled Companies, the requirements of 303A do not apply to our Company.

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ITEM	NYSE REQUIREMENTS	CHILEAN LAW REQUIREMENTS
303A.02 Independence Tests	Members of the Board of Directors must meet the Test of Independence.	No similar legal obligation exists under Chilean law. However, Chilean law defines a director as independent if he is elected by votes of shareholders who are not controlling shareholders or otherwise related to controlling shareholders.
303A.03 Executive Sessions	Non-Management Directors must meet regularly without management of the company.	No similar legal obligation exists under Chilean law. Under Chilean law, the position of director of a corporation is incompatible with the position of manager, auditor, accountant or president of the company. The Non-Management Director does not exist under Chilean law. Directors, however, are required to convene in legally established meetings to resolve matters required by Chilean Corporation Law.
303A.04 Nominating/Corporate Governance Committee	Listed companies must have a Nominating/Corporate Governance Committee composed entirely of independent directors and must have a written charter addressing certain matters.	There is no similar legal obligation under Chilean law.Andina has a Directors’ Committee whose functions are set by Chilean Corporation Law. In addition, section 303 A regarding Controlled Companies does not apply to our Company
303A.05 Compensation Committee	Listed companies must have a Compensation Committee composed entirely of independent directors, and must have a written charter addressing certain matters.	There is no similar legal obligation under Chilean law. In accordance with Chilean law, the above-mentioned Directors’ Committee is in charge of reviewing management compensation. In addition, section 303 A regarding Controlled Companies does not apply to our Company.
303A.06 Audit Committee	Listed companies must have an Audit Committee that satisfies the requirements of Rule 10A-3 under the Exchange Act. The Audit Committee must have a minimum of three members. In addition to any requirement of Rule 10A-3(b)(1), all Audit Committee members must satisfy the requirements for independence set out in Section 303 A.02. The Audit Committee must have a written charter addressing certain matters.	No similar legal obligation exists under Chilean law. However, in accordance with the Chilean Public Companies Law 18,046, public companies that have a net worth of more than 1.5 million UFs must have a Directors’ Committee, formed by three members who are in their majority independent of the controller. Andina designated an Audit Committee in accordance with Rule 10 A.3.The functions of this committee are described under “Item 6. Directors, Senior Management and Employees-Board Practices”
303A.07 Internal Audit Function	Listed companies must maintain an Internal Audit Function to provide management and the Audit Committee with ongoing assessments of the company’s risk management processes and systems of internal control. A listed company may choose to outsource this function to a third party service provider other than its independent auditor.	There is no similar obligation under Chilean law. Chilean law requires that companies must have both account inspectors and external auditors. However, Andina has an Internal Auditor who reports to the Audit Committee.

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ITEM	NYSE REQUIREMENTS	CHILEAN LAW REQUIREMENTS
303A.08 Voting on Compensation Plans	Shareholders must have the opportunity to vote on the creation or amendment of compensation plans regarding board members, executives and employees.	There is no similar obligation under Chilean law, with the exception of Directors' compensation which annually approved during the General Shareholders' Meeting.
303A.09 Corporate Governance Guidelines	Listed companies must adopt and disclose Corporate Governance Practices.	Chilean Law does not require the adoption of Corporate Governance Practices because they have been established by Chilean Corporate Law.
303A.10 Code of Ethics and Business Conduct	A company must adopt a Code of Business Conduct for its directors, officers and employees. Such company must disclose any waiver of its code of conduct that is granted to an officer or director.	There is no legal obligation to adopt a Code of Business Conduct. Chilean law requires that a company have a set of internal regulations which regulate the company and its relations with personnel. Such regulations must contain, among other things, regulations related to ethics and good behavior. Notwithstanding the above, a company may create internal codes of conduct, provided they do not require or prohibit behavior that contravenes Chilean law. In 1996, Andina created a Code of Business Conduct that applies to the entire Company. Andina has posted this information on its website www.embotelladoraandina.com
303A.11 Foreign Private Issuer Disclosure	A company must provide a summary description of significant differences between its home country corporate governance practices and the corporate governance requirements established by the NYSE as applicable to U.S. domestic listed companies	No similar obligation exists under Chilean law. However, Andina has posted this information on its website www.embotelladoraandina.com
303A.12 Certification Requirements	Each listed company CEO must certify to the NYSE each year that he or she is not aware of any violation by the company of NYSE corporate governance listing standards. Each listed company CEO must promptly notify the NYSE in writing after any executive officer of the listed company becomes aware of any material non-compliance with any of the applicable provisions of Section 303 A. Each listed company must submit an executed Written Affirmation annually to the NYSE. In addition, each listed company must submit an interim Written Affirmation each time a change occurs to the Board of Directors or any of the committees subject to Section 303 A. The annual and interim Written Affirmations must be in the form specified by the NYSE.	No similar obligation exists under Chilean law. However, in accordance with Chilean law, the directors of a company must annually submit for approval the company's annual report and financial statements to its shareholders at the company's annual shareholders' meeting. Similarly, public companies must, from time to time, provide all relevant company information by means of the publications and notifications established by law.

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ITEM	NYSE REQUIREMENTS	CHILEAN LAW REQUIREMENTS
303A.13 Public Reprimand	The NYSE may issue a Public Reprimand letter to any listed company, regardless of the type of security listed or country of incorporation if it determines the company has violated a NYSE listing standard.	No similar obligation exists under Chilean law, with the exception of sanctions imposed by the Chilean Superintendence of Securities and Insurance (SVS).
307 Company Website	Listed Companies must have a company website which is accessible from the United States. The website must contain its all NYSE requirements including those referring to Corporate Governance.	Chilean law does not require listed companies to maintain a website. However, if a listed company does have a website, the company must make available on its website certain information required by the rules under Chilean Company Law N° 18,046 .

PART III

ITEM 17. FINANCIAL STATEMENTS

Reference is made to Item 18 for a list of all financial statements filed as part of this annual report.

ITEM 18. FINANCIAL STATEMENTS

The following financial statements, together with the report of independent registered accounting firm, are filed as part of this Annual Report:

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EMBOTELLADORA ANDINA S.A. AND SUBSIDIARIES

Consolidated Financial Statements

Translation of consolidated financial statements previously issued in Spanish

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Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of
Embotelladora Andina S.A.:

We have audited the accompanying consolidated statements of financial position of Embotelladora Andina S.A. and subsidiaries ("the Company") as of December 31, 2011 and 2010, and the related consolidated income statements, statements of comprehensive income, changes in equity and cash flows for each of the three years in the period ended December 31, 2011. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States of America). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Embotelladora Andina S.A. and subsidiaries as of December 31, 2011 and 2010, and the consolidated results of their operations and their cash flows for the each of the three years in the period ended December 31, 2011, in conformity with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board ("IASB").

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States of America), the Company's internal control over financial reporting as of December 31, 2011, based on the criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("the COSO criteria") and our report dated April 26, 2012, expressed an unqualified opinion thereon.

/s/ ERNST & YOUNG LIMITADA

ERNST & YOUNG LIMITADA
Santiago, Chile
April 26, 2012

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Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of
Embotelladora Andina S.A.:

We have audited Embotelladora Andina S.A. and subsidiaries' internal control over financial reporting as of December 31, 2011, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("the COSO criteria"). Embotelladora Andina S.A. and subsidiaries' management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States of America). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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In our opinion, Embotelladora Andina S.A. and subsidiaries maintained, in all material respects, effective internal control over financial reporting as of December 31, 2011, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States of America), the consolidated statements of financial position of Embotelladora Andina S.A. and subsidiaries as of December 31, 2011 and 2010, and the consolidated income statements, statements of comprehensive income, changes in equity and cash flows for each of the three years in the period ended December 31, 2011, and our report dated April 26, 2012 expressed an unqualified opinion thereon.

/s/ERNST & YOUNG LIMITADA

Santiago, Chile, April 26, 2012

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EMBOTELLADORA ANDINA S.A. AND SUBSIDIARIES

Consolidated Statements of Financial Position
at December 31, 2011 and 2010
(Translation of consolidated financial statements originally issued in Spanish – See Note 2.3)

ASSETS	NOTE	12.31.2011 ThCh$	12.31.2010 ThCh$
Current Assets:			
Cash and cash equivalents	**4**	31,297,922	48,263,080
Other financial assets	**5**	15,661,183	48,914,734
Other non-financial assets	**6.1**	14,760,858	6,935,817
Trade and other accounts receivable, net	**7**	107,443,039	97,254,597
Accounts receivable from related companies	**11.1**	6,418,993	248,273
Inventory	**8**	57,486,658	53,715,509
Current tax assets	**9.1**	2,463,566	2,288,725
Total Current Assets		**235,532,219**	**257,620,735**
Non-Current Assets:			
Other non-financial, non-current assets	**6.2**	30,193,809	21,507,754
Trade and other accounts receivable, net	**7**	7,175,660	7,804,481
Accounts receivable from related companies, net	**11.1**	11,187	8,847
Property, plant and equipment, net	**10.1**	350,064,467	291,482,180
Equity method investments	**13.1**	60,290,966	50,754,168
Intangible assets, net	**14.1**	1,138,857	1,365,595
Goodwill	**14.2**	57,552,178	57,770,335
Total Non-Current Assets		**506,427,124**	**430,693,360**
Total Assets		**741,959,343**	**688,314,095**

The accompanying notes 1 to 28 form an integral part of these financial statements

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EMBOTELLADORA ANDINA S.A. AND SUBSIDIARIES
Consolidated Statements of Financial Position
at December 31, 2011 and 2010
(Translation of consolidated financial statements originally issued in Spanish – See Note 2.3)

LIABILITIES AND NET EQUITY	NOTE	12.31.2011 ThCh$	12.31.2010 ThCh$
Current Liabilities:			
Other financial liabilities	**15**	23,093,402	20,915,723
Trade and other accounts payable	16	127,940,772	105,282,335
Accounts payable to related companies	**11.2**	11,359,038	14,323,473
Provisions	**17**	87,966	60,748
Income tax payable	**9.2**	3,821,247	4,009,389
Other non-financial liabilities	**18**	30,341,479	30,962,748
Total Current Liabilities		**196,643,904**	**175,554,416**
Non-Current Liabilities:			
Other non-current financial liabilities	**15**	74,641,403	70,449,459
Provisions	**17**	7,882,869	4,267,619
Deferred tax liabilities	**9.4**	35,245,490	35,600,739
Post-employment benefit liabilities	**12.2**	5,130,015	7,256,590
Other non-current liabilities	**18**	436,742	320,676
Total Non-Current Liabilities		**123,336,519**	**117,895,083**
Equity:	**19**		
Issued capital		230,892,178	230,892,178
Retained earnings		208,102,068	180,110,975
Accumulated other comprehensive income and capital reserves		(17,024,341)	(16,146,887)
Equity attributable to equity holders of the parent		**421,969,905**	**394,856,266**
Non-controlling interests		9,015	8,330
Total Equity		**421,978,920**	**394,864,596**
Total Liabilities and Equity		**741,959,343**	**688,314,095**

The accompanying notes 1 to 28 form an integral part of these financial statements

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EMBOTELLADORA ANDINA S.A. AND SUBSIDIARIES
Consolidated Income Statements by Function
for the years ended at December 31, 2011, 2010 and 2009
(Translation of consolidated financial statements originally issued in Spanish – See Note 2.3)

CONSOLIDATED INCOME STATEMENTS BY FUNCTION	NOTE	01.01.2011 12.31.2011 ThCh$	01.01.2010 12.31.2010 ThCh$	01.01.2009 12.31.2009 ThCh$
Net sales		982,864,417	888,713,882	785,845,050
Cost of sales		(578,581,184)	(506,882,144)	(455,300,000)
Gross Profit		**404,283,233**	**381,831,738**	**330,545,050**
Other operating income	**23**	2,909,445	1,117,879	697,813
Distribution expenses		(98,807,574)	(85,717,173)	(73,560,939)
Administrative and sales expenses		(163,051,423)	(146,880,980)	(123,861,292)
Other expenses by function	**24**	(11,915,003)	(7,775,824)	(4,794,151)
Other income (expenses)	**26**	1,494,918	(484,641)	674,173
Finance income	**25**	3,182,434	3,376,138	3,951,779
Finance costs	**25**	(7,235,176)	(7,401,831)	(8,123,504)
Share in profit (loss) of equity method investees	**13.2**	2,026,158	2,314,935	1,603,898
Foreign exchange difference	**27**	2,731	(222,168)	(620,596)
Profit from units of adjustment		(1,177,658)	(217,769)	639,672
Net income before taxes		**131,712,085**	**139,940,304**	**127,151,903**
Income tax expense	**9.3**	(34,684,661)	(36,340,240)	(29,166,425)
Net income		**97,027,424**	**103,600,064**	**97,985,478**
Net income attributable				
Net income attributable to equity holders of the parent		97,024,405	103,597,372	97,982,730
Net income attributable to non-controlling interests		3,019	2,692	2,748
Net income		**97,027,424**	**103,600,064**	**97,985,478**

Earnings per Share		Ch$	Ch$	Ch$
Earnings per Series A Share		**121.54**	**129.78**	**122.74**
Earnings per Series B Share		**133.69**	**142.75**	**135.01**

The accompanying notes 1 to 28 form an integral part of these financial statements

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EMBOTELLADORA ANDINA S.A. AND SUBSIDIARIES
Consolidates Statements of Comprehensive Income
for the years ended December 31, 2011, 2010 and 2009
(Translation of consolidated financial statements originally issued in Spanish – See Note 2.3)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME	NOTE	01.01.2011 12.31.2011 ThCh$	01.01.2010 12.31.2010 ThCh$	01.01.2009 12.31.2009 ThCh$
Net income		**97,027,424**	**103,600,064**	**97,985,478**
Foreign exchange translation adjustment, before taxes	**19.3.2**	601,269	(11,883,798)	(14,745,854)
Income tax effect related to losses from foreign exchange rate translation differences included within other comprehensive income		(1,481,057)	585,028	4,454,252
Comprehensive income		**96,147,636**	**92,301,294**	**87,693,876**
Comprehensive income attributable to:				
Controlling shareholders		96,146,951	92,302,105	87,695,572
Non-controlling interests		685	(811)	(1,696)
Total comprehensive income		**96,147,636**	**92,301,294**	**87,693,876**

The accompanying notes 1 to 28 form an integral part of these financial statements

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EMBOTELLADORA ANDINA S.A. AND SUBSIDIARIES
Consolidated Statements of Changes in Equity
at December 31, 2011,2010 and 2009

	Issued capital	Other reserves			Retained earnings	Controlling Equity	Non-Controlling interests	Total Equity
		Translation reserves	Other reserves (various)	Total other reserves				
	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
Initial balance at 01.01.2011	**230,892,178**	**(21,582,425)**	**5,435,538**	**(16,146,887)**	**180,110,975**	**394,856,266**	**8,330**	**394,864,596**
Changes in Equity								
Comprehensive Income								
Net income	—	—	—	—	97,024,405	97,024,405	3,019	97,027,424
Other comprehensive income	—	(877,454)	—	(877,454)	—	(877,454)	(2,334)	(879,788)
Comprehensive income	—	**(877,454)**	—	**(877,454)**	**97,024,405**	**96,146,951**	**685**	**96,147,636**
Dividends	—	—	—	—	(69,033,312)	(69,033,312)	—	(69,033,312)
Total changes in equity	—	**(877,454)**	—	**(877,454)**	**27,991,093**	**27,113,639**	**685**	**27,114,324**
Ending balance at 12.31.2011	**230,892,178**	**(22,459,879)**	**5,435,538**	**(17,024,341)**	**208,102,068**	**421,969,905**	**9,015**	**421,978,920**

	Issued capital	Other reserves			Retained earnings	Controlling Equity	Non-Controlling interests	Total Equity
		Translation reserves	Other reserves (various)	Total other reserves				
	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
Initial balance at 01.01.2010	**230,892,178**	**(10,287,158)**	**5,435,538**	**(4,851,620)**	**147,508,036**	**373,548,594**	**9,141**	**373,557,735**
Changes in Equity								
Comprehensive Income								
Net income	—	—	—	—	103,597,372	103,597,372	2,692	103,600,064
Other comprehensive income	—	(11,295,267)	—	(11,295,267)	—	(11,295,267)	(3,503)	(11,298,770)
Comprehensive income	—	**(11,295,267)**		**(11,295,267)**	**103,597,372**	**92,302,105**	**(811)**	**92,301,294**
Dividends	—	—	—	—	(70,994,433)	(70,994,433)	—	(70,994,433)
Total changes in equity		**(11,295,267)**	—	**(11,295,267)**	**32,602,939**	**21,307,672**	**(811)**	**21,306,861**
Ending balance at 12.31.2010	**230,892,178**	**(21,582,425)**	**5,435,538**	**(16,146,887)**	**180,110,975**	**394,856,266**	**8,330**	**394,864,596**

	Issued capital	Other reserves			Retained earnings	Controlling Equity	Non-Controlling interests	Total Equity
		Translation reserves	Other reserves (various	Total other reserves				
	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
Initial balance at 01.01.2009	**236,327,716**	**—**	**—**	**—**	**109,955,729**	**346,283,445**	**10,837**	**346,294,282**
Changes in Equity								
Comprehensive Income								
Net income	—	—	—	—	97,982,730	97,982,730	2,748	97,985,478
Other comprehensive income	—	(10,287,158)	—	(10,287,158)	—	(10,287,158)	(4,444)	(10,291,602)
Comprehensive income	—	**(10,287,158)**	—	**(10,287,158)**	**97,982,730**	**87,695,572**	**(1,696)**	**87,693,876**
Dividends	—	—	—	—	(60,430,423)	(60,430,423)	—	(60,430,423)

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Increase (decrease) due to transfers and other changes	(5,435,538)	—	5,435,538	5,435,538	—	—	—	—
Total changes in Equity	**(5,435,538)**	**(10,287,158)**	**5,435,538**	**(4,851,620)**	**37,552,307**	**27,265,149**	**(1,696)**	**27,263,453**
Ending balance at 12.31.2009	**230,892,178**	**(10,287,158)**	**5,435,538**	**(4,851,620)**	**147,508,036**	**373,548,594**	**9,141**	**373,557,735**

The accompanying notes 1 to 28 form an integral part of these financial statements

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EMBOTELLADORA ANDINA S.A. AND SUBSIDIARIES

Consolidated Statements of Cash Flows
for the years ended December 31, 2011, 2010 and 2009
(Translation of Report originally issued in Spanish — See Note 2.3)

	NOTE	01.01.2011 12.31.2011 ThCh$	01.01.2010 12.31.2010 ThCh$	01.01.2009 12.31.2009 ThCh$
Cash flows provided by (used in) Operating Activities				
Types of cash flows provided by Operating Activities				
Receipts from customers		1,383,987,572	1,197,298,500	1,070,940,290
Charges for premiums, services, annual fees and other policy benefits		162,979	1,490,134	85,684
Types of cash flows used in Operating Activities				
Supplier payments		(960,961,322)	(819,753,947)	(701,721,831)
Payroll		(88,025,877)	(81,670,428)	(64,228,027)
Other payments for operating activities (value-added taxes on purchases and sales and others)		(159,030,469)	(134,723,290)	(138,340,498)
Dividends received		2,061,957	1,379,837	2,009,793
Interest payments classified as from operations		(6,472,220)	(5,876,763)	(11,616,256)
Interest received classified as from operations		2,139,339	2,406,821	5,704,250
Income tax payments		(31,682,397)	(32,304,059)	(26,492,827)
Cash flows used in other operating activities		(3,229,066)	(2,399,096)	(5,214,158)
Net cash flows provided by Operating Activities		**138,950,496**	**125,847,709**	**131,126,420**
Cash flows provided by (used in) Investing Activities				
Sale of 43% interest in Vital S.A., net of cash previously held		5,355,930	—	—
Capital contribution in Vital Jugos S.A. before proportional sale		(1,278,000)	—	—
Capital contribution to the associateVital Jugos S.A.		(3,249,000)	—	—
Other capital contributions to equity method investments		—	(15,229,291)	(937,607)
Proceeds from sale of property, plant and equipment		2,187,364	590,074	435,013
Purchase of property, plant and equipment		(126,930,944)	(95,461,555)	(49,482,837)
Proceeds from the maturity of marketable securities		75,422,008	72,746,562	68,999,577
Purchase of marketable securities		(39,484,304)	(47,156,718)	(102,760,277)
Payments on forward, term, option and financial exchange agreements		(451,825)	(2,368,356)	(342,213)
Collections from forward, term, option and swap agreements		1,180,132	5,336,646	1,039,841
Cash flows (used in) provided by other investing activities		(2,372,559)	1,038,460	(1,270,238)
Net cash flows used in Investing Activities		**(89,621,198)**	**(80,504,178)**	**(84,318,741)**
Cash Flows provided by (used in) Financing Activities				
Short-term loans obtained		118,456,093	30,023,277	18,075,837
Loan payments		(111,722,342)	(23,328,736)	(22,159,302)
Dividend payments by the reporting entity		(70,905,803)	(66,524,747)	(62,348,379)
Cash flows used in other financing activities		(2,987,333)	(2,717,533)	(1,324,466)
Net cash flows used in Financing Activities		**(67,159,385)**	**(62,547,739)**	**(67,756,310)**
Decrease in Cash and cash equivalents, before effects of variations in Foreign Exchange Rates		**(17,830,087)**	**(17,204,208)**	**(20,948,631)**
Effects of variations in foreign exchange rates on cash and cash equivalents		864,929	2,676,067	(5,966,129)
Net decrease in cash and cash equivalents		**(16,965,158)**	**(14,528,141)**	**(26,914,760)**
Cash and cash equivalents — beginning of year	4	48,263,080	62,791,221	89,705,981
Cash and cash equivalents - end of year	**4**	**31,297,922**	**48,263,080**	**62,791,221**

The accompanying notes 1 to 28 form an integral part of these financial statements

EMBOTELLADORA ANDINA S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
(Translation of consolidated financial statements originally issued in Spanish — See Note 2.3)

NOTE 1 - CORPORATE INFORMATION

Embotelladora Andina S.A. is registered under No. 00124 of the Securities Registry and is regulated by the Chilean Superintendency of Securities and Insurance (SVS) pursuant to Law 18,046.

Embotelladora Andina S.A. (hereafter "Andina," and together with its subsidiaries, the "Company") engages mainly in the production and sale of Coca-Cola products and other Coca-Cola beverages. The Company has operations in Chile, Brazil and Argentina. In Chile, the areas in which it has distribution franchises are the cities of Santiago, San Antonio and Rancagua. In Brazil, it has distribution franchises in the states of Rio de Janeiro, Espírito Santo, Niteroi, Vitoria, and Nova Iguaçu. In Argentina, it has distribution franchises in the provinces of Mendoza, Córdoba, San Luis, Entre Ríos, Santa Fe, and Rosario. The Company holds a license from The Coca-Cola Company in its territories, Chile, Brazil, and Argentina. Licenses for the territories in Chile expire in 2012. Licenses for the territories in Argentina expire in 2012, however, in February 2012, they were extended for a period of 5 years. The license for Brazil expires in 2013. All these licenses are issued at the discretion of The Coca-Cola Company. It is expected that the licenses will be renewed upon expiration based on similar terms and conditions.

At December 31, 2011, the Freire Group and related companies controlled the company with 54.97% of the outstanding voting shares.

The main offices of Embotelladora Andina S.A. are located at Avenida El Golf 40, 4th floor, municipality of Las Condes, Santiago, Chile. Its taxpayer identification number is 91,144,000-8.

NOTA 2 - BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Periods covered

These Consolidated Financial Statements encompass the following periods:

Consolidated statements of financial position: At December 31, 2011 and 2010.

Consolidated income statements by function: The years from January 1 to December 31, 2011,2010 and 2009.

Consolidated statements of comprehensive income: The years from January 1 to December 31, 2011, 2010 and 2009.

Consolidated statements of changes in equity: Balances and activity between January 1 and December 31, 2011,2010 and 2009.

Consolidated statements of cash flows : The years from January 1 to December 31, 2011, 2010 and 2009 , using the "direct method".

2.2 Basis of preparation

The Company's Consolidated Financial Statements for the years ended December 31, 2011, 2010 and 2009 were prepared according to International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (hereinafter "IASB").

These financial statements comprise the consolidated financial position of Embotelladora Andina S.A. and its subsidiaries as of December 31, 2011 and 2010 along with consolidated income statement by function, consolidated statements of comprehensive income, consolidated statement of changes in equity, and consolidated statements of cash flows, for the years ended December 31, 2011, 2010 and 2009. The Spanish language consolidated financial statements for the years ended December 31, 2011 and 2010 were approved by the Board of Directors during session held on January 31, 2012.

Included in these English language translation IFRS consolidated financial statements are consolidated balance sheets as of December 31, 2011 and 2010, along with consolidated income statements, changes in equity and cash flows (and the related disclosures) for each of the three years ended December 31, 2011. This three year presentation of operations, changes in equity and cash flows is required by the rules of the United States Securities and Exchange Commission. These three year English language translation IFRS consolidated financial statements were approved for issuances by the Board of Directors during a session held on April 26, 2012, with subsequent events considered through this later date.

These Consolidated Financial Statements have been prepared based on accounting records kept by the Parent Company and by other entities forming part thereof. Each entity prepares its financial statements following the accounting principles and standards applicable in each country, adjustments and reclassifications have been made, as necessary, in the consolidation process to align such principles and standards and then adapt them to IFRS.

For the convenience of the reader, these consolidated financial statements have been translated from Spanish to English.

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2.3 Basis of consolidation

2.3.1 Subsidiaries

The Consolidated Financial Statements include the Financial Statements of the Company and the companies it controls (its subsidiaries). The Company has control when it has the power to direct the financial and operating policies of a company so as to obtain benefits from its activities. They include assets and liabilities as of December 31, 2011 and 2010; and results of operations and cash flows for the years ended December 31, 2011, 2010 and 2009. Income or losses from subsidiaries acquired or sold are included in the consolidated financial statements from the effective date of acquisition through the effective date of sale, as applicable.

The acquisition method is used to account for the acquisition of subsidiaries. The acquisition cost is the fair value of assets, of equity securities and of liabilities incurred or assumed on the date of exchange, plus the cost directly attributable to the acquisition. Identifiable assets acquired and identifiable liabilities and contingencies assumed in a business combination are accounted for initially at their fair value as of the acquisition date. The excess acquisition cost above the fair value of the Group's share in identifiable net assets acquired is recognized as goodwill. If the acquisition cost is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in income.

Intra-group transactions, balances and unrealized gains in intra-group transactions are eliminated. Unrealized losses are also eliminated. Whenever necessary, the accounting policies of subsidiaries are modified to assure uniformity with the policies adopted by the Group.

The value of non-controlling interest in equity and the results of the consolidated subsidiaries is presented in Equity; non-controlling interests, in the Consolidated Statement of Financial Position and in "net income attributable to non-controlling interests," in the Consolidated Income Statements by Function.

The consolidated financial statements include all assets, liabilities, income, expenses, and cash flows of the company and its subsidiaries after eliminating intra-group balances and transactions.

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The list of subsidiaries included in the consolidation is detailed as follows:

		Percentage Interest					
		12.31.2011			12.31.2010		
Taxpayer ID	**Name of the Company**	**Direct**	**Indirect**	**Total**	**Direct**	**Indirect**	**Total**
59.144.140-K	Abisa Corp S.A.	—	99.99	99.99	—	99.99	99.99
96.842.970-1	Andina Bottling Investments S.A.	99.90	0.09	99.99	99.90	0.09	99.99
96.836.750-1	Andina Inversiones Societarias S.A.	99.99	—	99.99	99.99	—	99.99
96.972.760-9	Andina Bottling Investments Dos S.A.	99.90	0.09	99.99	99.90	0.09	99.99
Foerign	Embotelladora del Atlántico S.A.	—	99.98	99.98	—	99.98	99.98
Foreign	Rio de Janeiro Refrescos Ltda.	—	99.99	99.99	—	99.99	99.99
78.536.950-5	Servicios Multivending Ltda.	99.90	0.09	99.99	99.90	0.09	99.99
78.861.790-9	Transportes Andina Refrescos Ltda.	99.90	0.09	99.99	99.90	0.09	99.99
76.070.406-7	Embotelladora Andina Chile S.A.	99.99	0.00	99.99	99.90	0.09	99.99
93.899.000-K	Vital S.A.	—	—	—	—	99.99	99.99

2.3.2 Equity method investments

Associates are all entities over which the Group exercises significant influence but does not have control. Investments in associates are accounted for using the equity method and are initially recognized at cost.

The Group's share in income and losses subsequent to the acquisition of associates is recognized in income.

Unrealized gains in transactions between the Group and its associates are eliminated to the extent of the interest the Group holds in those associates. Unrealized losses are also eliminated unless there is evidence in the transaction of an impairment loss on the asset being transferred. Whenever necessary, the accounting policies of associates are adjusted to assure uniformity with the policies adopted by the Group.

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2.4 Financial reporting by operating segment

IFRS 8 requires that entities disclose information on the revenues of operating segments. In general, this is information that Management and Board of Directors use internally to evaluate the profitability of segments and decide how to allocate resources to them. Therefore, the following operating segments have been determined by geographic location:

- Chile operation
- Brazil operation
- Argentina operation

2.5 Foreign currency translation

2.5.1 Functional currency and currency of presentation

The items included in the financial statements of each of the entities in the Group are valued using the currency of the main economic environment in which the entity does business ("functional currency"). The consolidated financial statements are presented in Chilean pesos, which is the Company's functional currency and presentation currency.

2.5.2 Balances and transactions

Foreign currency transactions are converted to the functional currency using the foreign exchange rate prevailing on the date of each transaction. Translation losses and gains in the settlement of these transactions and in the conversion of the foreign currency—denominated assets and liabilities at the closing foreign exchange rates are recognized in the income account by function.

The foreign exchange rates and values prevailing at the close of each fiscal year were:

	Exchange rate to the Chilean peso				
Date	US$ dollar	Brazilian Real	Argentine Peso	Unidad de Fomento	€ Euro
12.31.2011	519.20	276.79	120.63	22,294.03	672.97
12.31.2010	468.01	280.89	117.71	21,455.55	621.53
12.31.2009	507.10	291.24	133.45	20,942.88	726.82

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2.5.3 Companies in the group

The financial position and results of operations of all companies in the Group (none of which uses the currency of a hyperinflationary economy) that use a functional currency other than the presentation currency are translated to the presentation currency in the following way:

(i) Assets and liabilities in each statement of financial position are translated at the closing foreign exchange rate at the reporting date;

(ii) Income and expenses of each income statement account are translated at the average foreign exchange rate; and

(iii) All resulting translation differences are recognized as other comprehensive income.

The Companies that use a functional currency different from the presentation currency of the parent company are:

Company	Functional currency
Rio de Janeiro Refrescos Ltda. (Brazil segment)	Brazilian Real R$
Embotelladora del Atlántico S.A. (Argentina segment)	Argentine Peso A$

In the consolidation, the translation differences arising from the conversion of a net investment in foreign entities are recognized in other comprehensive income. On disposal of the investment, those translation differences are recognized in the income statement as part of the loss or gain on the disposal of the investment.

2.6 Property, plant, and equipment

The assets included in property, plant and equipment are recognized at cost, less depreciation and cumulative impairment losses.

The cost of property, plant and equipment includes expenses directly attributable to the acquisition of items and government subsidies originating from the difference between the market interest rates of the financial liabilities and the preferential government credit rates. The historical cost also includes revaluations and price-level restatement of opening balances at January 1, 2009, due to first-time exemptions in IFRS.

Subsequent costs are included in the value of the original asset or recognized as a separate asset only when it is likely that the future economic benefit associated with the elements of property, plant and equipment will flow to the Group and the cost of the element can be determined reliably. The value of the component that is substituted is derecognized. The remaining repairs and maintenance are charged to the income statement in the fiscal year in which they incurred.

Land is not depreciated. Other assets, net of residual value, are depreciated by distributing the cost of the different components on a straight line basis over the estimated useful life, which is the period during which the companies expect to use them.

The estimated years of useful life are:

Assets	Range in years
Buildings	30-50
Plant and equipment	10-20
Warehouse installations and accessories	10-30
Other accessories	4-5
Motor vehicles	5-7
Other property, plant and equipment	3-8
Bottles and containers	2-8

The residual value and useful lives of assets are revised and adjusted, if necessary, at each reporting date.

When the value of an asset is higher than its estimated recoverable amount, the value is reduced immediately to the recoverable amount.

Losses and gains on the disposal of property, plant, and equipment are calculated by comparing the disposal proceeds to the carrying amount, and are charged to the income statement.

2.7 Intangible assets

2.7.1 Goodwill

Goodwill represents the excess of the acquisition cost over the fair value of the Group's share in identifiable net assets of the subsidiary on the acquisition date. The goodwill recognized separately is tested annually for impairment and is carried at cost, less accumulated impairment losses.

Gains and losses on the sale of an entity include the carrying amount of the goodwill related to that entity.

The goodwill is allocated to cash-generating units (CGU) in order to test for impairment losses. The allocation is made to CGUs that are expected to benefit from the business combination that generated the goodwill.

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2.7.2 Water rights

Water rights that have been paid for are included in the group of intangible assets, carried at acquisition cost. They are not amortized since they have no expiration date, but are annually tested for impairment.

2.8 Impairment losses

Assets that have an indefinite useful life, such as land, are not amortized and are tested annually for impairment. Amortizable assets are tested for impairment whenever there is an event or change in circumstances indicating that the carrying amount might not be recoverable. An excess carrying value of the asset above its recoverable amount is recognized as an impairment loss. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

In order to evaluate impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows (cash generating units). Non-financial assets other than goodwill that were impaired are reviewed at each reporting date to determine if impairment loss should be reversed.

2.9 Financial assets

The Company classifies its financial assets into the following categories: financial assets at fair value through profit or loss, loans and accounts receivable, and assets hold until their maturity. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at the time of initial recognition.

2.9.1 Financial assets at fair value through profit or loss.

Financial assets at fair value through profit or loss are financial assets available for sale. A financial asset is classified in this category if it is acquired mainly for the purpose of being sold in the short term. Assets in this category are classified as current assets.

Losses or gains from changes in fair value of financial assets at fair value through profit and loss are recognized in the income statement under finance income or expenses during the year in which they occur.

2.9.2 Loans and accounts receivable

Loans and accounts receivable are not quoted on an active market. They are recorded in current assets, unless they are due more than 12 months from the reporting date, in which case they are classified as non-current assets. Loans and accounts receivable are included in trade and other accounts receivable in the consolidated statement of financial position.

2.9.3 Other financial assets

Other Financial Assets corresponds to bank deposits that the Group's management has the positive intention and ability to hold until their maturity. They are recorded in current assets because they mature in less than 12 months from the reporting date.

Accrued interests are recognized in the consolidated income statement under finance income during the year in which they occur.

2.10 Derivatives and hedging

The derivatives held by the Company correspond to transactions hedged against foreign currency exchange rate risk and the price of raw materials and thus materially offset the risks that are hedged.

The derivatives are accounted for at fair value. If positive, they are recorded under "other current financial assets". If negative, they are recorded under "other current financial liabilities."

The Company's derivatives agreements do not qualify as hedges pursuant to IFRS requirements. Therefore, the changes in fair value are immediately recognized in the income statement under "foreign exchange difference".

The Company does not use hedge accounting for its foreign investments.

The Company has also evaluated the derivatives implicit in financial contracts and instruments to determine whether their characteristics and risks are closely related to the master agreement, as stipulated by IAS 39.

Fair value hierarchy

The Company had a total liability related to its foreign exchange derivatives contracts of ThCh$163,718 at December 31, 2011 and ThCh$917,219 at December 31, 2010, which are classified within the other current financial liabilities and are carried at fair value in the statement of financial position. The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

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Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities
Level 2: Assumptions different to quoted prices included in level 1 and that are applicable to assets and liabilities, be it directly (as price) or indirectly (i.e. derived from a price).
Level 3: Assumptions for assets and liabilities that are not based on information observed directly in the market.

During the years ended December 31, 2011, 2010 and 2009, there were no transfers of items between fair value measurements categories all of which were valued during the period using level 2.

2.11 Inventory

Inventories are valued at the lower of cost and net realizable value. Cost is determined by using the weighted average cost method. The cost of finished products and of work in progress includes raw materials, direct labor, other direct costs and manufacturing overhead(based on a operating capacity) to bring the goods to marketable condition, but it excludes interest expense. The net realizable value is the estimated selling price in the ordinary course of business, less any variable cost of sale.

Estimates are also made for obsolescence of raw materials and finished products based on turnover and ageing of the items involved.

2.12 Trade receivable

Trade accounts receivable are recognized initially at their nominal value, given the short term in which they are recovered, less any impairment loss. A provision is made for impairment losses on trade accounts receivable when there is objective evidence that the Company will be incapable of collecting all sums owed according to the original terms of the receivable, based either on individual analyses or on global aging analyses. The carrying amount of the asset is reduced as the provision is used and the loss is recognized in administrative and sales expenses in the consolidated income statement by function.

2.13 Cash and cash equivalents

Cash and cash equivalents include cash at banks and on hand, time deposits in banks and other short-term, highly liquid investments with purchased original maturities of three months or less.

2.14 Bank and debt security debt

Bank funding such as debt securities issued are initially recognized at fair value, net transaction costs. Liabilities with third parties are later valued at amortized cost. Any difference between the funding obtained (net of the costs required to obtain it) and the reimbursement amount is recognized in the income statement during the term of the debt using the effective interest rate method.

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2.15 Government subsidies

Government subsidies are recognized at their fair value when it is sure that the subsidy will be received and that the Group will meet all the established conditions.

Official cost-related subsidies are deferred and recognized in the income account for the period required to correlate them to the costs to be offset.

Official subsidies for the purchase of property, plant and equipment are shown by deducting the item from property, plant and equipment and crediting the income accounts on a straight-line basis during the estimated useful lives of those assets.

2.16 Income tax and deferred taxes

The Company and its subsidiaries in Chile account for income tax according to the net taxable income calculated by the rules in the Income Tax Law. Its subsidiaries abroad do so according to the rules of the respective countries.

Deferred taxes are calculated using the balance sheet - liability method on the temporary differences between the tax basis of assets and liabilities and their carrying amounts in the annual consolidated accounts.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be offset.

Deferred taxes for temporary differences deriving from investments in subsidiaries and associates are recognized except when the Company can control the timing when the temporary differences will be reversed and it is likely that they will not be reversed in the foreseeable future.

2.17 Employee benefits

The Company has established a provision to cover employee indemnities that will be paid to its employees according to the individual and collective contracts in place. This provision is accounted for at the actuarial value in accordance with IAS 19. The positive or negative effect on indemnities because of changes in estimates (turnover, mortality, retirement, and other rates) is recorded directly in income.

The Company also has an executive retention plan. It is accounted for as a liability according to the directives of this plan. This plan grants certain executives the right to receive a fixed cash payment on a pre-set date once they have completed the required years of employment.

The Company and its subsidiaries have made a provision for the cost of vacation and other employee benefits on an accrual basis. This liability is recorded under accrued liabilities

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2.18 Provisions

Provisions for litigation are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

2.19 Deposits for returnable containers

This is a liability comprised of cash collateral received from customers for bottles and other returnable containers made available to them.

This liability pertains to the deposit amount that is reimbursed if the customer or distributor returns the bottles and cases in good condition, together with the original invoice. Estimation of this liability is based on an inventory of bottles given as a loan to clients and distributors at their premises, the estimated amount of bottles in circulation and a historical average weighted value per bottle or case.

Deposits for returnable containers are presented as a current liability because the Company does not have a legal ability to defer settlement for a period in excess of one year. However, the Company does not anticipate any material cash settlements for such amounts during the upcoming year.

2.20 Revenue recognition

Revenue is measured at fair value of the consideration received or receivable for the sale of goods in the ordinary course of the Company's business. Revenue is presented net of value-added tax, returns, rebates, and discounts and net of sales between the companies that are consolidated.

The Company recognizes revenue when the amount of revenue can be reliably measured and it is probable that the future economic benefits will flow to the Company.

2.21 Dividend payments

Dividend payments to the Company's shareholders are recognized as a liability in the consolidated financial statements of the Company, based on the obligatory 30% minimum in accordance with the Corporations Law.

2.22 Critical accounting estimates and judgments

The Company makes estimates and judgments about the future. Actual results may differ from previously estimated amounts. The estimates and judgments that might have a material impact on future financial statements are explained below:

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2.22.1 Estimated impairment loss on goodwill

The Group test annually whether goodwill has undergone any impairment. The recoverable amounts of cash generating units have been determined on the basis of value in use calculations. The key variables that management must calculate include the sales volume, prices, marketing expense, and other economic factors. Estimating these variables requires considerable judgment by the management, as those variables imply inherent uncertainties. However, the assumptions used are consistent with the Company's internal planning. Therefore, the management evaluates and updates estimates from time to time according to the conditions affecting these variables. If these assets are deemed to have become impaired, the estimated fair value will be written off, as applicable. Should these assets deteriorate, they will be written off to the estimated fair value or future recoverable value, in accordance with discounted cash flows. Estimated future free cash flows in Brazil and Argentina were discounted at a discount rate which reflects the time value of money and the risks specific to the asset or group of assets, for which future cash flows were not adjusted. . The so calculated recoverable amount was higher than the respective assets, including the surplus value of the Brazilian and Argentine subsidiaries.

2.22.2 Provision for doubtful receivables

The Company evaluates the possibility of collecting trade accounts receivable using several factors. When the Company becomes aware of a specific inability of a customer to fulfill its financial commitments, a specific provision for doubtful accounts is estimated and recorded, which reduces the recognized receivable to the amount that the Company estimate will ultimately be collected. In addition to specifically identifying potential uncollectible customer accounts, debits for doubtful accounts are accounted for based on the recent history of prior losses and a general assessment of trade accounts receivable, both outstanding and past due, among other factors. The balance of the Company's trade accounts receivable was ThCh$114,618,699 at December 31, 2011 (ThCh$105,059,078 in 2010), net of an allowance for doubtful accounts provision of ThCh$1,544,574 (ThCh$1,225,556in 2010). Historically, doubtful accounts have represented an average of less than 1% of consolidated net sales.

2.22.3 Property, plant, and equipment

Property, plant, and equipment are recorded at cost and depreciated using the straight-line method over the estimated useful life of those assets. Changes in circumstances, such as technological advances, changes to the Company's business model, or changes in its capital strategy might modify the effective useful lives as compared to our estimates. Whenever the Company determines that the useful life of property, plant and equipment might be shortened, it depreciates the excess between the net book value and the estimated recoverable amount according to the revised remaining useful life. Factors such as changes in the planned use of manufacturing equipment, dispensers, and transportation equipment or computer software could make the useful lives of assets shorter. The Company reviews the impairment of long-lived assets each time events or changes in circumstances indicate that the book value of any of those assets might not be recovered. The estimate of future cash flows is based, among other things, on certain assumptions about the expected operating profits in the future. Company estimates of non-discounted cash flows may differ from real cash flows because of, among other reasons, technological changes, economic conditions, changes in the business model, or changes in the operating profit. If the sum of non-discounted cash flows that have been projected (excluding interest) is less than the carrying value of the asset, the asset will be written down to its estimated fair value.

2.22.4 Liabilities for returnable container collateral

The Company records a liability represented by deposits received in exchange for bottles and cases provided to its customers and distributors. This liability represents the amount of the deposit that must be returned if the client or distributor returns the bottles and cases in good condition, together with the original invoice. This liability is estimated on the basis of an inventory of bottles given as a loan to customers and distributors, estimates of bottles in circulation and a weighted average historical cost per bottle or case. Management must make several assumptions in relation to this liability in order to estimate the number of bottles in circulation, the amount of the deposit that must be reimbursed and the synchronization of disbursements.

2.23 New IFRS and interpretations of the IFRS Interpretations Committee (IFRSIC)

The following IFRS and Interpretations of the IFRSIC have been published:

New Standards	Mandatory Effective Date
IFRS 7 Financial Instruments: Disclosures. Enhanced Derecognition Disclosure Requirements	January 1, 2012
IFRS 9 Financial instruments: Classification and measurement	January 1, 2015
IFRS 10 Consolidated Financial Statements	January 1, 2013
IFRS 11 Joint Arrangements	January 1, 2013
IFRS 12 Disclosure of Interests in Other Entities	January 1, 2013
IFRS 13 Fair Value Measurement	January 1, 2013

IFRS 7 "Financial Instruments: Disclosures. Enhanced Derecognition Disclosure Requirements"

The amendment requires additional disclosure about financial assets that have been transferred but not derecognized to enable the user of the Company´s financial statements to understand the relationship with those assets that have not been derecognized and their associated liabilities. In addition, the amendment requires disclosures about continuing involvement in derecognized assets to enable the user to evaluate the nature of, and risks associated with, the entity's continuing involvement in those derecognized assets. The amendment becomes effective for annual periods beginning on or after July 1, 2011. The amendment affects disclosure only and has no impact on the Company's financial position or performance.

IFRS 9 "Financial Instruments"

This Standard introduces new requirements for the classification and measurement of financial assets and early application is permitted. All financial assets must be classified in their entirety on the basis of the company's business model for financial asset management and the characteristics of contractual cash flows of financial assets. Under this standard, financial assets are measured at the amortized cost or fair value. Only financial assets classified as measured at the amortized cost must be impairment-tested. This standard applies to years beginning on or after January 1, 2015, and it can be adopted earlier.

IFRS 10 "Consolidated Financial Statements" / NIC 27 "Separate Financial Statements"

This Standard supersedes the part of IAS 27 on Separate and Consolidated Financial Statements that spoke of accounting for consolidated financial statements. It also includes matters in SIC-12, Special-Purpose Entities. IFRS 10 establishes one single control model that applies to all entities (including special purpose or structured entities). The changes made by IFRS 10 will require that management exercise significant professional judgment in determining which entity is controlled and which must be consolidated.

IFRS 11 "Joint Arrangements"/ NIC 28 "Investments in Associates and Joint Ventures"

IFRS 11 supersedes IAS 31 Interests in Joint Ventures and SIC 13 Jointly Controlled Entities — Non-Monetary Contributions by Joint Venturers. IFRS 11 uses some of the terms used in IAS 31, but with different meanings. IAS 31 identifies 3 types of joint ventures, but IFRS 11 only considers of 2 types (joint ventures and joint operations) when there is a joint control. Since IFRS 11 uses the IFRS 10 principle of control to identify control, determining whether there is a joint control can change. Moreover, IFRS 11 takes away the alternative of accounting for jointly controlled entities (JCEs) using a proportional consolidation. Instead, JCEs meeting the definition of joint ventures must be accounted for using the equity method. An entity must recognize the assets, liabilities, income and expenses, if any, of joint operations, which include jointly controlled assets, former jointly controlled operations and former JCEs.

IFRS 12 "Disclosure of Interests in Other Entities"

IFRS 12 includes all consolidation-related disclosures that were previously in IAS 27 as well as all disclosures previously included in IAS 31 and IAS 28. These disclosures relate to the interests in related companies, joint arrangements, associates and structured entities. A number of new disclosures are also required.

IFRS 13 "Fair Value Measurement"

IFRS 13 establishes a new guide on how to measure fair value, when required or permitted by IFRS. When an entity must use the fair value remains the same. The standard changes the definition of fair value—Fair Value: The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). Some new disclosures are also added.

The Company is still evaluating the impact that the aforementioned IFRS may have on the consolidated financial statements.

Improvements and amendments	Mandatory Effective date
IAS 1 Presentation of Financial Statements — Presentation of Other Comprehensive Income Components	July 1, 2012
IAS 12 Deferred Taxes: Recovery of Underlying Assets	January 1, 2012
IAS 19 Employee benefits (2011)	January 1, 2013
IAS 32 Financial Instruments Presentation	January 1, 2014

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IAS 1 Presentation of Financial Statements

The amendments to IAS 1 change the grouping of items presented in OCI. Items that could be reclassified (or recycled) to profit or loss at a future point in time (for example, upon derecognition or settlement) would be presented separately from items that will never be reclassified. The amendment affects presentation only and has no impact on the Company´s financial position or performance. The amendment becomes effective for annual periods beginning on or after July 1, 2012. These amendments must be incorporated obligatorily for years beginning on or after July 1, 2012. They can be applied early, which must be disclosed.

IAS 12 "Income Taxes"

IAS 12 introduces a refutable presumption that deferred taxes on investment properties, measured using a fair value model, will be recognized on a sale presumption basis unless the entity has a business model that can show that the investment properties will be consumed through the business throughout its economic cycle. If it is consumed, a consumption basis must be adopted. The improvement also introduces the requirement that deferred taxes on non-depreciable assets measured using the revaluation model of IAS 16 must also be measured on a sales basis. It must be applied for years starting on or after January 1, 2012.

IAS 19 "Employee Benefits"

On June 16, 2011, the IASB published changes to IAS 19, Employee Benefits, which changed the accounting of defined benefit plans and termination benefits. The changes require recognizing changes in the liability for defined benefits and in the assets of the plan when those changes occur. The recognition of costs of past services is accelerated. The changes in the liability for defined benefits and the assets in the plan are disaggregated into three components: service costs, net interest on net (assets) liabilities for defined benefits and re-measurement of net (assets) liabilities for defined benefits. The net interest is calculated using a rate of return on high quality corporate bonds. This could be lower than the rate actually used to calculate the expected return on the plan's assets and result in a reduction in fiscal year profit. The changes take effect for years starting on or after January 1, 2013 and they can be applied early. A retroactive application is required, with certain exceptions.

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IAS 32 "Financial Instruments Presentation**"**

The changes to IAS 32, issued in December 2011, are intended to clarify differences in how it applies to compensation and to reduce the level of diversity in actual practice. The standard applies effective January 1, 2014 and it can be adopted early.

The Company is still evaluating the impact that the aforementioned IFRS may have on the consolidated financial statements.

NOTE 3 — REPORTING BY SEGMENT

The Company provides information by segments according to IFRS 8 "Operating Segments", that establishes standards for reporting by operating segment and related disclosures for products, services, and geographic areas.

The Company's Board of Directors and Management measures and evaluates performance of segments according to the operating income of each of the countries where there are franchises.

The operating segments are disclosed coherently with the presentation of internal reports to the senior officer in charge of operating decisions. That officer has been identified as the Company Board of Directors, which makes strategic decisions.

The segments defined by the Company for strategic decision-making are geographic. Therefore, the reporting segments correspond to:

- Chilean operations
- Brazilian operations
- Argentine operations

The three operating segments conduct their business through the production and sale of soft drinks, other beverages, and packaging.

The expenses and income associated with corporate management were assigned to the Chilean operation in the operating segments soft drinks.

The total income by segment includes sales to unrelated customers and inter-segment sales, as indicated in the Company's consolidated statement of income.

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A summary of the operations by segment of the Company is detailed as follows, according to IFRS:

For the year ended December 31, 2011	Chile Operation ThCh$	Argentina Operation ThCh$	Brazil Operation ThCh$	Eliminations ThCh$	Consolidated Total ThCh$
Operating revenue from external customers, total	304,948,177	232,222,929	445,693,311	—	982,864,417
Interest income, total for segments	1,490,143	140,622	1,551,669	—	3,182,434
Interest expense, total for segments	(5,513,503)	(1,063,755)	(657,918)	—	(7,235,176)
Interest income, net, total for segments	**(4,023,360)**	**(923,133)**	**893,751**	**—**	**(4,052,742)**
Depreciation and amortization, total for segments	(15,894,245)	(7,780,619)	(15,822,662)	—	(39,497,526)
Sums of significant income items, total	4,001,479	497,269	2,239,588	—	6,738,336
Sums of significant expense items, total	(249,291,504)	(209,576,210)	(390,157,347)		(849,025,061)
Net income of the segment reported, total	**39,740,547**	**14,440,236**	**42,846,641**	**—**	**97,027,424**
Share of the entity in income of associates accounted for using the equity method, total	2,663,439	—	(637,281)	—	2,026,158
Income tax expense (income), total	(7,539,223)	(7,766,215)	(19,379,223)	—	(34,684,661)
Segment assets, total	**320,036,934**	**121,366,676**	**300,555,733**	**—**	**741,959,343**
Carrying amount in associates and joint ventures accounted for using the equity method, total	36,568,610	—	23,722,356	—	60,290,966
Capital expenditures and other	77,195,636	25,311,303	28,951,005	—	131,457,944
Liabilities of the segments, total	**146,195,277**	**78,344,985**	**95,440,161**	**—**	**319,980,423**

For the year ended December 31, 2010	Chile Operation ThCh$	Argentina Operation ThCh$	Brazil Operation ThCh$	Eliminations ThCh$	Consolidated Total ThCh$
Operating revenue from external customers, total	295,658,591	185,273,657	407,781,634	—	888,713,882
Interest income, total for segments	1,176,029	253,667	1,946,442	—	3,376,138
Interest expense, total for segments	(5,256,730)	(1,069,665)	(1,075,436)	—	(7,401,831)
Interest income, net, total for segments	**(4,080,701)**	**(815,998)**	**871,006**	**—**	**(4,025,693)**
Depreciation and amortization, total for segments	(15,958,801)	(7,204,876)	(13,850,832)	—	(37,014,509)
Sums of significant income items, total	868,878	81,927	2,539,815	—	3,490,620
Sums of significant expense items, total	(236,598,062)	(164,453,198)	(346,512,976)		(747,564,236)
Net income of the segment reported, total	**39,889,905**	**12,881,512**	**50,828,647**	**—**	**103,600,064**
Share of the entity in income of associates accounted for using the equity method, total	519,441	—	1,795,494	—	2,314,935
Income tax expense (income), total	(7,632,006)	(6,963,258)	(21,744,976)	—	(36,340,240)
Segment assets, total	**323,554,334**	**83,040,700**	**281,719,061**	**—**	**688,314,095**
Carrying amount in associates and joint ventures accounted for using the equity method, total	25,772,670	—	24,981,498	—	50,754,168
Capital expenditures and other	49,987,257	9,867,356	50,836,233	—	110,690,846
Liabilities of the segments, total	**126,524,439**	**43,281,287**	**123,643,773**	**—**	**293,449,499**

For the fiscal year ending December 31, 2009	Chile Operation ThCh$	Argentina Operation ThCh$	Brazil Operation ThCh$	Eliminations ThCh$	Consolidated Total ThCh$
Operating revenue from external customers, total	273,098,100	173,200,576	339,546,374	—	785,845,050
Interest income, total for segments	—	1,237,173	—	(1,237,173)	—
Interest expense, total for segments	2,957,370	60,876	933,533	—	3,951,779
Interest income, net, total for segments	(5,423,157)	(684,661)	(2,015,686)	—	(8,123,504)
Depreciation and amortization, total for segments	**(2,465,787)**	**(623,785)**	**(1,082,153)**	**—**	**(4,171,725)**
Sums of significant income items, total	(16,629,416)	(8,126,684)	(12,050,568)	—	(36,806,668)
Sums of significant expense items, total	1,235,517	121,055	3,953,014	—	5,309,586
Sums of significant expense items, total	(215,071,827)	(152,654,007)	(285,702,104)	1,237,173	(652,190,765)
Gain (loss) of the segment reported, total	**40,166,587**	**13,154,328**	**44,664,563**	**—**	**97,985,478**
Share of the entity in income of associates accounted for by the equity method, total	366,146	—	1,237,752	—	1,603,898
Income tax expense (income), total	(4,859,074)	(7,299,694)	(17,007,657)	—	(29,166,425)
Segment assets, total	**320,672,468**	**80,379,168**	**241,640,804**	**—**	**642,692,440**
Carrying amount in associates and joint ventures accounted for using the equity method, total	26,149,730	—	8,581,488	—	34,731,218
Capital expenditures	23,654,231	7,656,260	19,109,953	—	50,420,444
Liabilities of the segments, total	**120,468,154**	**36,721,752**	**111,944,799**	**—**	**269,134,705**

NOTE 4 — CASH AND CASH EQUIVALENTS

Cash and cash equivalents are detailed as follows as of December 31, 2011 and 2010:

Description	12.31.2011	12.31.2010
	ThCh$	ThCh$
By item		
Cash	138,410	1,039,952
Bank balances	16,326,710	13,267,099
Time deposits	243,991	28,394,995
Money market funds	14,588,811	5,561,034
Cash and cash equivalents	**31,297,922**	**48,263,080**

	ThCh$	ThCh$
By currency		
Dollar	2,724,252	2,962,900
Euro	243,991	345,623
Argentine Peso	5,020,278	1,705,533
Chilean Peso	6,340,907	25,646,505
Real	16,968,494	17,602,519
Cash and cash equivalents	**31,297,922**	**48,263,080**

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4.1 Time deposits

Time deposits defined as Cash and cash equivalents are detailed as follows at December 31, 2011 and 2010:

Placement	Entity	Currency	Principal	Annual Rate	Balance at 12.31.2011
			ThCh$	%	ThCh$
12.29.2011	Banco BBVA	Euro	243,449	0.350	243,991
Total					**243.991**

Placement	Entity	Currency	Principal	Annual Rate	Balance at 12.31.2010
			ThCh$	%	ThCh$
12.17.2010	Banco Santander	Chilean peso	7,000,000	3.720%	7,004,005
01.13.2010	Banco de Chile	Unidad de fomento	4,410,633	1.700%	4,602,188
01.13.2010	Banco Estado	Unidad de fomento	4,410,633	1.650%	4,599,975
12.02.2010	Banco BBVA	Euros	354,271	0.210%	345,623
12.13.2010	Banco BBVA	Argentine peso	14,392	10.000%	14,192
03.29.2010	Banco Votorantim	Real	31,383	8.820%	33,230
09.30.2010	Banco Itaú	Real	2,846,938	8.830%	2,859,355
11.23.2010	Banco Itaú	Real	2,814,206	8.830%	2,828,751
04.14.2010	Banco Itaú	Real	397,500	8.830%	398,609
07.27.2010	Banco Itaú	Real	2,891,489	8.830%	2,900,221
12.30.2010	Banco Itaú	Real	2,808,846	8.830%	2,808,846
Total					**28,394,995**

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4.2 Money Market

Money market mutual fund shares are valued at the share value at the close of each fiscal year. Below is a description for the end of each period:

Institution	12.31.2011	12.31.2010
	ThCh$	ThCh$
Itaú money market fund	6,281,070	—
BBVA money market fund	770,000	—
Western Assets Institutional Cash	2,877,501	1,417,175
BCI money market fund	—	163,000
Corporate money market fund	2,093,339	37,384
Galicia money market fund	2,566,901	—
Banchile money market fund	—	3,943,475
Total mutual funds	**14,588,811**	**5,561,034**

NOTE 5 — OTHER CURRENT FINANCIAL ASSETS

Below are the financial instruments held by the Company at December 31, 2011 and 2010, other than cash and cash equivalents. They consist of time deposits expiring in the short term (more than 90 days) and restricted mutual funds. The detail of financial instruments is detailed as follows:

Time deposits

Placement date	Maturity date		Entity	Currency	Principal	Annual Rate	Balance at 12.31.2011
					ThCh$	%	ThCh$
08.04.2011	01.18.2012		Banco BBVA	Unidad de fomento	4,000,000	3.44	4,119,995
08.04.2011	01.18.2012		Banco Estado	Unidad de fomento	4,000,000	3.48	4,138,046
12.21.2011	05.09.2012		Banco Corpbanca	Unidad de fomento	2,500,000	5.00	2,505,892
12.21.2011	05.09.2012		Banco Chile	Unidad de fomento	2,500,000	4.70	2,505,684
12.16.2011	02.20.2012	(1)	Banco Galicia	Ar$	711,717	20.00	716,403
03.25.2011	03.20.2012		Banco Votorantin	R$	17,759	8.82	19,007
					Total		**14,005,027**

Mutual Funds

Banco Galicia money market fund (1)		1,656,156
	Total	**1,656,156**
Total other current financial assets 2011		**15,661,183**

(1) These are financial investments the use of which is restricted because they were made to comply with the guarantees of derivatives transactions performed by the Company.

Time deposits

Placement date	Maturity date	Entity	Currency	Principal	Annual rate	Balance at 12.31.2010
				ThCh$	%	ThCh$
05.12.10	04.29.11	Banco BBVA	Unidad de fomento	456,766	0.57	467,322
05.12.10	09.30.11	Banco BBVA	Unidad de fomento	228,383	1.37	234,861
05.12.10	12.29.11	Banco BBVA	Unidad de fomento	228,383	1.37	256,423
04.23.10	05.30.11	Banco BBVA	Unidad de fomento	12,114,877	0.00	12,362,024
05.03.10	05.09.11	Banco BCI	Unidad de fomento	11,914,000	0.00	12,153,007
06.14.10	05.09.11	Banco Itaú	Unidad de fomento	4,770,768	0.40	4,848,825
07.01.10	05.09.11	Banco Itaú	Unidad de fomento	2,713,000	0.70	2,754,825
08.03.10	08.09.11	Banco Itaú	Unidad de fomento	1,000,000	0.52	1,012,928
10.28.10	05.09.11	Banco Itaú	Unidad de fomento	4,000,000	2.86	4,033,440
10.28.10	05.09.11	Banco de Chile	Unidad de fomento	4,000,000	2.45	4,030,516
04.12.10	04.12.11	Banco BBVA	Peso Chileno	6,644,069	2.40	6,760,563
Total other current financial assets 2011						**48,914,734**

NOTE 6 — CURRENT AND NON-CURRENT NON-FINANCIAL ASSETS

Note 6.1 Other current non-financial assets

Description	12.31.2011	12.31.2010
	ThCh$	ThCh$
Prepaid insurance	77,228	288,588
Prepaid expenses	2,933,946	1,897,584
Fiscal credit remaining	11,704,342	4,257,271
Other current assets	45,342	492,374
Total	**14,760,858**	**6,935,817**

Note 6.2 Other non-current, non-financial assets

Description	12.31.2011	12.31.2010
	ThCh$	ThCh$
Prepaid expenses	2,275,128	2,180,033
Fiscal credit	6,529,944	5,681,851
Judicial deposits(1)	19,989,604	12,720,300
Others	1,399,133	925,570
Total	**30,193,809**	**21,507,754**

(1) See note 21.1

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NOTE 7 — TRADE AND OTHER ACCOUNTS RECEIVABLE

The composition of trade and other accounts receivable is detailed as follows:

Description	12.31.2011 Current	12.31.2011 Non-current	12.31.2010 Current	12.31.2010 Non-current
	ThCh$	ThCh$	ThCh$	ThCh$
Trade accounts receivable	71,818,536	—	64,317,502	—
Notes receivables	14,932,418	7,175,660	16,325,466	7,585,983
Other accounts receivable	22,236,659	—	17,837,185	218,498
Allowance for doubtful accounts	(1,544,574)	—	(1,225,556)	—
Total	**107,443,039**	**7,175,660**	**97,254,597**	**7,804,481**

The change in the allowance for doubtful accounts between January 1 and December 31, 2011, 2010 and 2009 is presented below:

Item	12.31.2011	12.31.2010	12.31.2009
	ThCh$	ThCh$	ThCh$
Initial balance	**1,225,556**	**1,688,988**	**1,559,981**
Bad debt expense	1,610,540	629,409	367,460
Use of allowance	(1,368,084)	(970,352)	(197,559)
Increase (decrease) because of foreign exchange	76,562	(122,489)	(40,894)
Movement	**319,018**	**(463,432)**	**129,007**
Ending balance	**1,544,574**	**1,225,556**	**1,688,988**

NOTE 8 — INVENTORY

The composition of inventory balances is detailed as follows:

Description	12.31.2011 ThCh$	12.31.2010 ThCh$
Raw materials	29,518,840	23,117,229
Merchandise	6,949,830	7,061,966
Production inputs	1,386,122	853,130
Products in progress	256,273	97,467
Finished goods	11,215,868	13,922,337
Spare parts	8,136,491	8,704,152
Other inventory	765,020	643,091
Obsolescence allowance	(741,786)	(683,863)
Balance	**57,486,658**	**53,715,509**

The cost of inventory recognized as a cost of sales totaled ThCh$578,581,184, ThCh$506,882,144 and ThCh$455,300,000 at December 31, 2011, 2010 and 2009, respectively.

NOTE 9 — INCOME TAX AND DEFERRED TAXES

9.1 Current taxes receivable

The current taxes receivable consisted of the following items:

Description	12.31.2011 ThCh$	12.31.2010 ThCh$
Monthly income tax installments	1,646,502	1,091,997
Tax credits (1)	817,064	1,196,728
Balance	**2,463,566**	**2,288,725**

(1) That item corresponds to income tax credits on account of training expenses, purchase of property, plant and equipment and donations.

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9.2 Current taxes payable

Current taxes payable are detailed as follows:

Description	12.31.2011 ThCh$	12.31.2010 ThCh$
Income tax	3,459,329	3,877,563
Other	361,918	131,826
Balance	**3,821,247**	**4,009,389**

9.3 Tax expense

The current and deferred income tax expenses for the years ended December 31, 2011,2010 and 2009 are detailed as follows:

Description	12.31.2011 ThCh$	12.31.2010 ThCh$	12.31.2009 ThCh$
Current tax expense	31,384,666	31,847,824	26,558,767
Adjustment to current tax from previous year	371,547	114,521	733,312
Other current tax expenses	396,319	10,276	111,287
Total net current tax expense	**32,152,532**	**31,972,621**	**27,403,366**
Deferred tax expenses	2,532,129	4,367,619	1,763,059
Total deferred tax expenses	**2,532,129**	**4,367,619**	**1,763,059**
Total income tax expense	**34,684,661**	**36,340,240**	**29,166,425**

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9.4 Deferred taxes

The net cumulative balances of temporary differences originating in deferred tax assets and liabilities are detailed below:

Temporary differences	12.31.2011		12.31.2010	
	Assets ThCh$	Liabilities ThCh$	Assets ThCh$	Liabilities ThCh$
Property, plant and equipment	897,101	22,769,301	—	22,702,343
Impairment accrual	865,769	—	1,302,801	—
Employee benefits	1,462,239	—	2,386,307	—
Post-employment benefits	—	510,613	9,550	82,143
Tax losses	705,861	—	—	—
Contingency provision	2,215,553	—	1,620,901	—
Foreign exchange rate difference (Brazilian debt)	—	11,698,815	—	13,506,899
Allowance for doubtful accounts	368,947	—	446,516	—
Tax income for inventory holding (Argentina)	1,066,527	—	663,663	—
Derivatives	—	—	183,444	—
Tax incentives	—	7,900,864	—	5,335,199
Other	478,230	426,124	278,427	865,764
Subtotal	**8,060,227**	**43,305,717**	**6,891,609**	**42,492,348**
Net Liabilities	**—**	**35,245,490**	**—**	**35,600,739**

9.5 Deferred tax liability movement

Movement in deferred liability accounts is detailed as follows:

Item	12.31.2011 ThCh$	12.31.2010 ThCh$	12.31.2009 ThCh$
Initial Balance	**35,600,739**	**33,182,644**	**28,196,054**
Increase in deferred tax liabilities	2,309,907	3,724,526	6,217,311
Sale of ownership interest in Vital S.A.	(947,445)	—	—
Decrease due to foreign currency translation	(1,717,711)	(1,306,431)	(1,230,721)
Movements	**(355,249)**	**2,418,095**	**4,986,590**
Ending balance	**35,245,490**	**35,600,739**	**33,182,644**

9.6 Distribution of domestic and foreign tax expenses

As of December 31, 2011, 2010 and 2009, domestic and foreign tax expenses are detailed as follows

	12.31.2011 ThCh$	12.31.2010 ThCh$	12.31.2009 ThCh$
Income tax			
Current taxes			
Foreign	(24,138,759)	(26,000,138)	(20,758,996)
Domestic	(8,013,773)	(5,972,483)	(6,644,370)
Current tax expense	**(32,152,532)**	**(31,972,621)**	**(27,403,366)**
Deferred taxes			
Foreign	(3,006,679)	(3,293,124)	(2,437,295)
Domestic	474,550	(1,074,495)	674,236
Deferred tax expense	**(2,532,129)**	**(4,367,619)**	**(1,763,059)**
Income tax expense	**(34,684,661)**	**(36,340,240)**	**(29,166,425)**

9.7 Reconciliation of effective rate

Below is the reconciliation of tax expenses at the legal rate and tax expenses at the effective rate:

Reconciliation of effective rate	12.31.2011 ThCh$	12.31.2010 ThCh$	12.31.2009 ThCh$
Income before taxes	**131,712,085**	**139,940,304**	**127,151,903**
Tax expense at legal rate (20%)	**(26,342,417)**	—	
Tax expense at legal rate (17%)	—	**(23,789,852)**	**(21,615,823)**
Effect of tax rate in other jurisdictions	**(11,459,545)**	**(15,161,635)**	**(13,421,632)**
Permanent differences:			
Income frm investees and subsidiaries not subject to taxation	4,190,331	4,754,092	5,993,880
Non-tax-deductible expenses	(868,025)	(213,192)	(591,384)
Other	(205,005)	(1,929,653)	468,534
Tax expense adjustment	**3,117,301**	**2,611,247**	**5,871,030**
Tax expense at effective rate	**(34,684,661)**	**(36,340,240)**	**(29,166,425)**
Effective rate	**26.3%**	**26.0%**	**22.9%**

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The income tax rates applicable in each of the jurisdictions where the company does business are detailed as follows:

Country	Rate
Chile	20%
Brasil	34%
Argentina	35%

NOTE 10 — PROPERTY, PLANT, AND EQUIPMENT

10.1 Balances

Property, plant and equipment at the end of each year are detailed below:

Item	Gross property, plant and equipment		Cumulative depreciation and impairment loss		Net property, plant and equipment	
	12.31.2011	12.31.2010	12.31.2011	12.31.2010	12.31.2011	12.31.2010
	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
Construction in progress	47,924,160	23,506,510	—	—	47,924,160	23,506,510
Land	34,838,977	36,523,803	—	—	34,838,977	36,523,803
Buildings	93,603,989	92,227,198	(28,249,427)	(29,245,272)	65,354,562	62,981,926
Plant and equipment	264,342,629	232,604,986	(155,026,259)	(154,729,140)	109,316,370	77,875,846
Information technology equipment	11,416,373	10,825,556	(9,273,033)	(8,756,221)	2,143,340	2,069,335
Fixed installations and accessories	29,878,815	30,603,706	(14,428,606)	(14,319,552)	15,450,209	16,284,154
Motor vehicles	4,871,319	5,627,463	(2,932,515)	(3,757,415)	1,938,804	1,870,048
Improvements to leased property	153,483	155,755	(129,503)	(110,832)	23,980	44,923
Other property, plant and equipment (1)	250,672,995	286,065,161	(177,598,930)	(215,739,526)	73,074,065	70,325,635
Total	**737,702,740**	**718,140,138**	**(387,638,273)**	**(426,657,958)**	**350,064,467**	**291,482,180**

(1) Other property, plant and equipment is composed of bottles, market assets, furniture and other minor goods. The net balance of each of these categories at December 31, 2011 and 2010 is detailed as follows:

Other property, plant and equipment	12.31.2011	12.31.2010
	ThCh$	ThCh$
Bottles	36,737,104	38,230,257
Marketing and promotional assets	19,478,303	18,153,012
Other property, plant and equipment	16,858,658	13,942,366
Total	**73,074,065**	**70,325,635**

The Company has an insurance to protect its property, plant and equipment and its inventory from potential losses.The geographic distribution of those assets is detailed as follows:

Chile: Santiago, Puente Alto, Maipú, Renca, Rancagua and San Antonio
Argentina: Buenos Aires, Mendoza, Córdoba and Rosario
Brazil: Río de Janeiro, Niteroi, Campos, Cabo Frío, Nova Iguaçu, Espírito Santo and Vitoria

10.2 Movements

Movements in property, plant and equipment are detailed as follows between January 1 and December 31, 2011, 2010 and 2009:

For the year ended 12.31.2011	Construction in progress	Land	Buildings, net	Plant and equipment, net	IT Equipment, net	Fixed installations and accessories, net	Motor vehicles, net	Improvements to leased property, net	Other property, plant and equipment, net	Property, plant and equipment, net
	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
Initial balance	**23,506,510**	**36,523,803**	**62,981,926**	**77,875,846**	**2,069,335**	**16,284,154**	**1,870,048**	**44,923**	**70,325,635**	**291,482,180**
Deconsolidation of Vital S.A. because control was lost	—	(1,789,538)	(5,234,227)	(6,749,334)	—	—	—	—	(732,167)	(14,505,266)
Additions	52,845,762	(973)	2,076,108	30,838,285	601,044	45,516	499,615	—	31,524,654	118,430,011
Disposals	(13,506)	(120,727)	(762,174)	(17,571)	(185)	(30,395)	—	—	(49,852)	(994,410)
Transfers between items of property, plant and equipment	(28,409,020)	283,495	8,785,405	21,589,748	398,449	1,810,434	14,956	—	(4,473,467)	—
Depreciation expense	—	—	(2,022,571)	(13,713,542)	(931,282)	(1,117,400)	(379,172)	(21,250)	(20,650,320)	(38,835,537)
Increase (decrease) in foreign currency translation	(24,574)	(67,205)	(179,705)	(542,938)	6,023	26,995	(1,980)	307	(280,024)	(1,063,101)
Other increases (decreases)	18,988	10,122	(290,200)	35,876	(44)	(1,569,095)	(64,663)	—	(2,590,394)	(4,449,410)
Total movements	**24,417,650**	**(1,684,826)**	**2,372,636**	**31,440,524**	**74,005**	**(833,945)**	**68,756**	**(20,943)**	**2,748,430**	**58,582,287**
Ending balance	**47,924,160**	**34,838,977**	**65,354,562**	**109,316,370**	**2,143,340**	**15,450,209**	**1,938,804**	**23,980**	**73,074,065**	**350,064,467**

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For the year ended 12.31.2010	Construction in progress	Land	Buildings, net	Plant and equipment, net	IT Equipment, net	Fixed installations and accessories, net	Motor vehicles, net	Improvements to leased property, net	Other property, plant and equipment, net	Property, plant and equipment, net
	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
Initial balance	**5,487,011**	**37,046,146**	**61,570,532**	**72,648,457**	**2,139,891**	**16,664,567**	**1,416,740**	**79,336**	**50,816,411**	**247,869,091**
Additions	32,097,391	501,788	1,834,762	21,923,605	669,553	60,376	895,781	—	32,592,914	90,576,170
Disposals	—	(10,039)	(71,333)	(225,383)	(350)	—	(4,342)	—	(206,873)	(518,320)
Transfers between items of property, plant and equipment	(13,807,070)	—	3,515,683	2,022,179	258,089	661,830	1,324	—	7,347,965	—
Depreciation expense	—	—	(1,829,939)	(13,445,509)	(938,545)	(985,366)	(355,283)	(32,584)	(18,519,806)	(36,107,032)
Increase (decrease) in foreign currency translation	(270,822)	(1,014,092)	(2,048,206)	(4,838,392)	(58,043)	(119,494)	(60,895)	(1,829)	(606,776)	(9,018,549)
Other increases (decreases)	—	—	10,427	(209,111)	(1,260)	2,241	(23,277)	—	(1,098,200)	(1,319,180)
Total movements	**18,019,499**	**(522,343)**	**1,411,394**	**5,227,389**	**(70,556)**	**(380,413)**	**453,308**	**(34,413)**	**19,509,224**	**43,613,089**
Ending balance	**23,506,510**	**36,523,803**	**62,981,926**	**77,875,846**	**2,069,335**	**16,284,154**	**1,870,048**	**44,923**	**70,325,635**	**291,482,180**

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For the fiscal year ending 12/31/2009	Construction in progress	Land	Buildings, net	Plant and equipment, net	IT Equipment, net	Fixed installations and accessories, net	Motor vehicles, net	Improvements to leased property, net	Other property, plant and equipment, net	Property, plant and equipment, net
	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
Initial balance	**4,942,367**	**38,121,541**	**59,456,026**	**74,144,934**	**2,687,932**	**16,436,484**	**830,402**	**78,800**	**52,049,278**	**248,747,764**
Additions	12,246,515	—	363,270	11,068,846	353,965	17,120	961,803	23,676	21,109,718	46,144,913
Disposals	(18)	—	—	(29,640)	(398)	—	—	—	(145,417)	(175,473)
Transfers between items of property, plant and equipment	(9,920,144)	—	2,165,884	3,580,304	151,751	802,833	46,651	—	3,172,721	—
Depreciation expense	—	—	(1,752,611)	(14,514,062)	(1,350,230)	(1,106,466)	(249,014)	(30,670)	(17,059,331)	(36,062,384)
Increase (decrease) in foreign currency translation	(521,521)	(1,075,395)	978,600	(1,675,935)	268,779	(204,152)	(80,852)	7,530	(5,749,157)	(8,052,103)
Other increases (decreases)	(1,260,188)	—	359,363	74,010	28,092	718,748	(92,250)	—	(2,561,401)	(2,733,626)
Total movements	**544,644**	**(1,075,395)**	**2,114,506**	**(1,496,477)**	**(548,041)**	**228,083**	**586,338**	**536**	**(1,232,867)**	**(878,673)**
Final balance	**5,487,011**	**37,046,146**	**61,570,532**	**72,648,457**	**2,139,891**	**16,664,567**	**1,416,740**	**79,336**	**50,816,411**	**247,869,091**

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NOTE 11 – RELATED PARTY DISCLOSURES

Balances and transactions with related parties as of December 31, 2011and 2010 are detailed as follows:

11.1 Accounts receivable:

11.1.1 Current:

Taxpayer ID	Company	Relationship	Country of origin	Currency	12.31.2011	12.31.2010
					ThCh$	ThCh$
96.714.870-9	Coca-Cola de Chile S. A.	Shareholder	Chile	Chilean peso	6,014,176	—
86.881.400-4	Envases CMF S. A.	Associate	Chile	Chilean peso	338,765	—
93.473.000-3	Embotelladoras Coca-Cola Polar S.A.	Related to shareholder	Chile	Chilean peso	66,052	248,273
Total					**6,418,993**	**248,273**

11.1.2 Non-current:

Taxpayer ID	Company	Relationship	Country of origin	Currency	12.31.2011	12.31.2010
					ThCh$	ThCh$
96.714.870-9	Coca-Cola de Chile S.A.	Shareholder	Chile	Chilean peso	11,187	8,847
Total					**11,187**	**8,847**

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11.2 Accounts Payable :

11.2.1 Current:

Taxpayer ID	Company	Relationship	Country of origin	Currency	12.31.2011	12.31.2010
					ThCh$	ThCh$
96.714.870-9	Coca-Cola de Chile S.A.	Shareholder	Chile	Chilean peso	—	3,959,060
Foreign	Servicio y Productos para Bebidas Refrescantes S.R.L.	Related to shareholder	Argentina	Argentine peso	962,725	2,725,508
Foreign	Recofarma do Indústrias Amazonas Ltda.	Related to shareholder	Brazil	Real	6,287,520	3,834,762
96.705.990-0	Envases Central S.A.	Associate	Chile	Chilean peso	2,200,977	1,005,828
86.881.400-4	Envases CMF S.A.	Associate	Chile	Chilean peso	—	1,216,955
76.389.720-6	Vital Aguas S.A.	Associate	Chile	Chilean peso	732,249	630,927
89.996.200-1	Envases del Pacífico S.A.	Director común	Chile	Chilean peso	—	173,850
93.891.720-k	Coca-Cola Embonor S.A.	Related to shareholder	Chile	Chilean peso	—	776,583
96.648.500-0	Vital Jugos S.A.	Associate	Chile	Chilean peso	1,175,567	—
Total					**11,359,038**	**14,323,473**

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11.3 Transactions:

Taxpayer ID	Company	Relationship	Country of origin	Description of transaction	Currency	Cumulative 12.31.2011 ThCh$
96.648.500-0	Vital S.A.	Associate	Chile	Sale of raw materials	Chilean peso	5,589,681
96.648.500-0	Vital S.A.	Associate	Chile	Collection of loans	Chilean peso	3,102,400
96.648.500-0	Vital S.A.	Associate	Chile	Purchase of finished products	Chilean peso	21,687,373
96.648.500-0	Vital S.A.	Associate	Chile	Loan granted	Chilean peso	2,600,000
96.705.990-0	Envases Central S.A.	Associate	Chile	Purchase of finished products	Chilean peso	19,170,427
96.705.990-0	Envases Central S. A.	Associate	Chile	Sale of raw materials	Chilean peso	3,345,527
96.714.870-9	Coca Cola de Chile S.A.	Shareholder	Chile	Concentrate purchase	Chilean peso	66,279,629
96.714.870-9	Coca Cola de Chile S.A.	Shareholder	Chile	Purchase of advertising services	Chilean peso	2,300,351
96.714.870-9	Coca Cola de Chile S.A.	Shareholder	Chile	Sale of marketing services	Chilean peso	791,098
96.714.870-9	Coca Cola de Chile S.A.	Shareholder	Chile	Sale of raw materials and others	Chilean peso	6,147,836
86.881.400-4	Envases CMF S.A.	Associate	Chile	Purchase of bottles	Chilean peso	10,574,791
86.881.400-4	Envases CMF S.A.	Associate	Chile	Purchase of packaging materials	Chilean peso	1,294,064
76.389.720-6	Vital Aguas S.A.	Associate	Chile	Purchase of finished products	Chilean peso	6,191,936
Foreign	Recofarma do Industrias Amazonas Ltda	Related to shareholder	Brazil	Concentrate purchase	Real	83,833,396
Foreign	Recofarma do Industrias Amazonas Ltda.	Related to shareholder	Brazil	Reimbursement and other purchases	Real	1,371,278
Foreign	Recofarma do Industrias Amazonas Ltda.	Related to shareholder	Brazil	Advertising participation payment	Real	18,489,621
Foreign	Servicio y Productos para Bebidas Refrescantes S.R.L.	Related to shareholder	Argentina	Concentrate purchase	Argentine peso	50,482,708
Foreign	Servicio y Productos para Bebidas Refrescantes S.R.L.	Related to shareholder	Argentina	Advertising rights, rewards and others	Argentine peso	2,099,957
Foreign	Servicio y Productos para Bebidas Refrescantes S.R.L.	Related to shareholder	Argentina	Collection of advertising participation	Argentine peso	5,078,692
96.815.680-2	BBVA Administradora General de Fondos	Related to director	Chile	Investment in mutual funds	Chilean peso	33,625,000
96.815.680-2	BBVA Administradora General de Fondos	Related to director	Chile	Redemption of mutual funds	Chilean peso	33,625,000
96.815.680-2	BBVA Administradora General de Fondos	Related to director	Chile	Investments in time deposits	Chilean peso	723,921
96.815.680-2	BBVA Administradora General de Fondos	Related to director	Chile	Bank loans	Chilean peso	3,498,249
96.815.680-2	BBVA Administradora General de Fondos	Related to director	Chile	Redemption of time deposits	Chilean peso	1,434,234
96.815.680-2	BBVA Administradora General de Fondos	Related to director	Chile	Payment of bank loans	Chilean peso	3,498,249
84.505.800-8	Vendomática S.A.	Related to director	Chile	Sale of finished products	Chilean peso	1,330,544
79.753.810-8	Claro y Cia .	Related to director	Chile	Legal Counsel	Chilean peso	246,548
89.996.200-1	Envases del Pacífico S.A.	Related to director	Chile	Raw materials purchased	Chilean peso	355,460

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Taxpayer ID	Company	Relationship	Country of origin	Description of transaction	Currency	Cumulative 12.31.2010 ThCh$
96.705.990-0	Envases Central S.A.	Associate	Chile	Purchase of finished products	Chilean peso	17,810,345
96.705.990-0	Envases Central S.A.	Associate	Chile	Sale of raw materials	Chilean peso	2,542,071
96.714.870-9	Coca Cola de Chile S.A.	Associate	Chile	Concentrate purchase	Chilean peso	64,448,337
96.714.870-9	Coca Cola de Chile S.A.	Associate	Chile	Advertising payment	Chilean peso	1,857,135
96.714.870-9	Coca Cola de Chile S.A.	Associate	Chile	Services rendered	Chilean peso	3,292,507
96.714.870-9	Coca Cola de Chile S.A.	Associate	Chile	Advertising collection	Chilean peso	989,554
Foreign	Recofarma do Industrias Amazonas Ltda.	Related to shareholder	Brazil	Concentrate purchase	Real	61,827,392
Foreign	Recofarma do Industrias Amazonas Ltda.	Related to shareholder	Brazil	Reimbursement and other purchases	Real	1,188,468
Foreign	Recofarma do Industrias Amazonas Ltda.	Related to shareholder	Brazil	Advertising participation payment	Real	13,851,240
86.881.400-4	Envases CMF S.A.	Associate	Chile	Purchase of bottles	Chilean peso	7,636,480
86.881.400-4	Envases CMF S.A.	Associate	Chile	Purchase of packaging materials	Chilean peso	409,929
84.505.800-8	Vendomática S.A	Related to director	Chile	Sale of finished products	Chilean peso	1,401,691
84.505.800-8	Vendomática S.A	Related to director	Chile	Supply and advertising agreement	Chilean peso	250,000
96.815.680-2	BBVA Administración General de Fondos	Related to director	Chile	Investment in mutual funds	Chilean peso	34,148,000
96.815.680-2	BBVA Administración General de Fondos	Related to director	Chile	Redemption of mutual funds	Chilean peso	36,992,000
76.389.720-6	Vital Aguas S.A.	Associate	Chile	Purchase of finished products	Chilean peso	5,676,978
76.389.720-6	Vital Aguas S.A.	Associate	Chile	Services rendered	Chilean peso	254,909
Foreign	Servicio y Productos para Bebidas Refrescantes S.R.L.	Related to shareholder	Argentina	Concentrate purchase	Argentine peso	39,404,175
Foreign	Servicio y Productos para Bebidas Refrescantes S.R.L.	Related to shareholder	Argentina	Advertising rights, rewards and others	Argentine peso	1,587,201
Foreign	Servicio y Productos para Bebidas Refrescantes S.R.L.	Related to shareholder	Argentina	Collection of advertising participation	Argentine peso	6,218,762
96.891.720-K	Coca-Cola Embonor S. A.	Related to shareholder	Chile	Sale of finished products	Chilean peso	8,236,127
96.517.310-2	Embotelladora Iquique S.A.	Related to shareholder	Chile	Sale of finished products	Chilean peso	689,551
93.473.000-3	Embotelladora Coca-Cola Polar S.A.	Related to shareholder	Chile	Sale of finished products	Chilean peso	5,243,772
89.996.200-1	Envases del Pacífico S.A.	Related to shareholder	Chile	Raw materials purchased	Chilean peso	481,592

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Taxpayer ID	Company	Relationship	Country of Origin	Description of transaction	Currency	Cumulative 12.31.2009
						ThCh$
96,705,990-0	Envases Central S.A.	Associate	Chile	Purchase of finished products	Chilean peso	18,361,212
96,705,990-0	Envases Central S.A.	Associate	Chile	Sale of raw materials and materials	Chilean peso	2,432,955
96,714,870-9	Coca-Cola de Chile S.A.	Shareholder	Chile	Purchase of concentrate	Chilean peso	79,166,075
96,714,870-9	Coca-Cola de Chile S.A.	Shareholder	Chile	Payment of advertising share	Chilean peso	5,734,098
96,714,870-9	Coca-Cola de Chile S.A.	Shareholder	Chile	Sale of advertising	Chilean peso	3,627,587
96,714,870-9	Coca-Cola de Chile S.A.	Shareholder	Chile	Other sales	Chilean peso	1,036,370
Foreign	Recofarma do Indústrias Amazonas Ltda.	Related to shareholder	Brazil	Purchase of concentrate	Real	56,859,868
Foreign	Recofarma do Indústrias Amazonas Ltda.	Related to shareholder	Brazil	Reimbursement and other purchases	Real	2,118,745
Foreign	Recofarma do Indústrias Amazonas Ltda.	Related to shareholder	Brazil	Payment of advertising shares	Real	11,333,220
86,881,400-4	Envases CMF S.A.	Related to shareholders	Chile	Purchase of bottles	Chilean peso	9,693,910
Foreign	Servicios y Productos para Bebidas Refrescantes S.R.L.	Related to shareholders	Argentina	Purchase of concentrate	Argentine peso	35,498,256
89,996,200-1	Envases del Pacífico S.A.	Common Director	Chile	Purchase of raw materials	Chilean peso	496,303
96,891,720-K	Embonor S.A.	Related to shareholders	Chile	Sale of finished products	Chilean peso	6,887,687
96,517,310-2	Embotelladora Iquique S.A.	Related to shareholders	Chile	Purchase of finished products	Chilean peso	707,819
93,473,000-3	Embotelladora Coca-Cola Polar S.A.	Related to shareholders	Chile	Sale of products	Chilean peso	4,199,630
93,473,000-3	Embotelladora Coca-Cola Polar S.A.	Related to shareholders	Chile	Purchase of finished products	Chilean peso	60,722
90,278,000-9	Iansagro S.A.	Common Director	Chile	Purchase of sugar	Chilean peso	6,506,542
84,505,800-8	Vendomática S.A.	Related to shareholder	Chile	Sale of finished products	Chilean peso	1,639,692
96,815,680-2	BBVA Administradora General de Fondos	Related to shareholder	Chile	Investment of mutual funds	Chilean peso	43,045,413
96,815,680-2	BBVA Administradora General de Fondos	Related to shareholder	Chile	Redemption of mutual funds	Chilean peso	40,176,629
76,389,720-6	Vital Aguas S.A.	Associate	Chile	Purchase of finished products	Chilean peso	5,415,866

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11.4 Payroll and benefits of the Company's key employees

Salary and benefits paid to the Company's key employees, corresponding to directors and managers, are detailed as follows:

Full description	12.31.2011 ThCh$	12.31.2010 ThCh$	12.31.2009 ThCh$
Executive wages, salaries and benefits	4,324,205	4,198,174	4,422,304
Director allowances	1,104,000	1,016,124	742,956
Termination benefits	2,289,610	1,643,749	153,924
Accrued benefits in the last five years and paid during the period (1)	1,338,675	981,635	—
Total	**9,056,490**	**7,839,682**	**5,319,184**

(1) The Company has an executive retention plan. This plan grants certain executives the right to receive a fixed cash payment on a pre-set date once they have completed the required years of employment.

NOTE 12 — EMPLOYEE BENEFITS

As of December 31, 2011 and 2010, the Company had recorded reserves for profit sharing and for bonuses totaling ThCh$6,354,817 and ThCh$6,635,679 respectively.

This liability is shown in accrued other non-current non-financial liabilities in the statement of financial position.

The charge against income in the statement of comprehensive income is allocated between the cost of sales, the cost of marketing, distribution costs and administrative expenses.

12.1 Personnel expenses

Personnel expenses included in the statement of consolidated comprehensive income were:

Description	12.31.2011 ThCh$	12.31.2010 ThCh$	12.31.2009 ThCh$
Wages and salaries	85,266,348	78,616,848	61,841,332
Employee benefits	19,336,845	20,084,397	17,806,789
Severance and post-employment benefits	2,307,187	1,580,085	8,479,218
Other personnel expenses	5,135,492	4,549,669	4,159,121
Total	**112,045,872**	**104,830,999**	**92,286,460**

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12.2 Post-employment benefits

This item represents the employee severance indemnities valued pursuant to Note 2.17. The composition of balances at December 31, 2011 and 2010 is detailed as follows

Post-employment benefits	12.31.2011 ThCh$	12.31.2010 ThCh$
Non-current provision	5,130,015	7,256,590
Total	**5,130,015**	**7,256,590**

12.3 Post-employment benefit movement

The movements of post-employment benefits for the year ended December 31, 2011 and 2010 are detailed as follows:

Movements	12.31.2011 ThCh$	12.31.2010 ThCh$	12.31.2009 ThCh$
Initial balance	**7,256,590**	**8,401,791**	**8,034,813**
Service costs	288,386	359,798	114,293
Interest costs	471,678	213,927	325,872
Net actuarial losses	1,310,764	569,707	540,943
Benefits paid	(4,197,403)	(2,288,633)	(614,130)
Ending balance	**5,130,015**	**7,256,590**	**8,401,791**

12.4 Assumptions

The actuarial assumptions used at December 31, 2011 and 2010 were:

Assumption	2011	2010	2009
Discount rate (1)	6.5%	6.7%	6,5%
Expected salary increase rate (1)	5.0%	4.7%	4.5%
Turnover rate	6.6%	6.6%	6,6%
Mortality rate (2)	RV-2009	RV-2004	RV-2004
Retirement age of women	60 years	60 years	60 años
Retirement age of men	65 years	65 years	65 años

(1) The discount rate and the expected salary increase rate are calculated in real terms, which do not include an inflation adjustment. The rates shown above are presented in nominal terms to facilitate a better understanding by the reader.

(2) Mortality assumption tables prescribed for use by the Chilean Superintendency of Securities and Insurance.

NOTE 13 — INVESTMENTS IN ASSOCIATES ACCOUNTED FOR USING THE EQUITY METHOD

13.1 Balances

Investments in associates recorded using the equity method are detailed as follows:

Taxpayer ID	Name	Country of Incorporation	Functional Currency	Investment Cost		Percentage interest	
				12.31.2011	12.31.2010	12.31.2011	12.31.2010
				ThCh$	ThCh$	%	%
86.881.400-4	Envases CMF S.A.	Chile	Chilean peso	16,824,399	19,070,517	50.00%	50.00%
96.845.500-0	Vital Jugos S.A.	Chile	Chilean peso	12,568,269	—	57.00%	—
76.389.720-6	Vital Aguas S.A.	Chile	Chilean peso	2,952,050	2,718,443	56.50%	56.50%
96.705.990-0	Envases Central S.A.	Chile	Chilean peso	4,223,890	3,983,711	49.91%	49.91%
Foreign	Mais Indústria de Alimentos S.A.	Brazil	Real	—	5,517,687	—	6.16%
Foreign	Sucos Del Valle do Brasil Ltda.	Brazil	Real	—	3,881,452	—	6.16%
Foreign	Kaik Participações Ltda.	Brazil	Real	1,304,027	1,223,538	11.31%	11.31%
Foreign	Sistema de Alimentos e Bebidas do Brasil Ltda.	Brazil	Real	9,766,182	—	5.74%	—
Foreign	Holdfab2 Participações Societarias Ltda.	Brazil	Real	12,652,149	14,358,820	36.40%	36.40%
	Total			**60,290,966**	**50,754,168**		

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13.2 Movement

The movement of investments in associates recorded using the equity method is shown below, for to the year ended December 31, 2011 and 2010:

Details	12.31.2011 ThCh$	12.31.2010 ThCh$	12.31.2009 ThCh$
Initial Balance	**50,754,168**	**34,731,218**	**32,822,541**
Capital increases in equity investees	4,527,000	15,229,291	937,607
Sale of 43% ownership interest in Vital Jugos S.A.	(6,188,675)	—	—
Incorporation of Vital Jugos S.A.	13,114,268	—	—
Dividends received	(2,786,957)	(1,379,837)	(2,000,000)
Share in operating income	2,541,186	2,984,544	2,506,119
Goodwill in sale of property plant and equipment to Envases CMF	85,266	85,266	85,266
Decrease in foreign currency translation	(621,861)	(624,004)	527,922
Capital decrease (return of capital) in Envases CMF S.A.	(1,150,000)	—	—
Other, nets	16,571	(272,310)	(148,237)
Ending balance	**60,290,966**	**50,754,168**	**34,731,218**

The main movements for the years ended 2011 and 2010 are detailed as follows:

- A special shareholders meeting of Vital S.A., our subsidiary, held on January 5, 2011, approved a capital increase of ThCh$1,278,000, which was paid in full on January 7, 2011. It also approved changing the name of the company to Vital Jugos S.A.

- On January 21, 2011, our subsidiaries Andina Bottling Investments S.A. and Andina Inversions Societarias S.A. together sold a 43% ownership interest in Vital Jugos S.A. to Embotelladoras Coca-Cola Polar S.A., (15%) and Coca-Cola Embonor S.A. (28%), for an amount of ThCh$6,841,889. The fair value of the 43% sold was ThCh$6,188,675 resulting in a gain of ThCh$ 653,214 which is presented as Other gains (losses) in the income statement.

- As a result of the transactions, the Andina group lost control of Vital Jugos S.A., given that despite maintaining 57% owneship, substantive participating rights exist on behalf of the other shareholders in that at least one vote is required from the rest of the bottlers of Coca-Cola system for decision-making of financial policies and operation of the business. Accordingly, beginning on January 21, 2011, Vital Jugos S.A., is treated as investments accounted for using the equity method, being excluded from the consolidation. The fair value of the 57% of Vital Jugos S.A. retained amounts to ThCh$13,144,268.

  Additionally, because of the loss of control of Vital Jugos S.A., the difference between the estimated fair value and the book value of the investment remaining in the Company's possession (amounting to ThCh$867,414) was recognized as of a component of "Share in profit (loss) of equity method investees" within the income statement,

- During the year ended December 31, 2011, capital contribution were made to Vital Jugos S.A., for a total amount of ThCh$3,249,000. These amounts are included as a component of the "capital increases in equity investees" disclosed above.

- On February 12, 2009, our Brazilian subsidiary Rio de Janeiro Refrescos Ltda, made a capital contribution to Holdfab Participações Ltda, in which it holds an interest of 14.732% in the amount of ThCh$217,637. These amounts are included as a component of the "capital increases in equity investees" disclosed above.

- Holdfab2 Participacoes Societarias Ltda. was established in Brazil on March 23, 2010, along with the Coca-Cola bottlers for the purpose of concentrating their investments in the company Leon Junior S.A., in which our subsidiary Rio de Janeiro Refrescos Ltda. has a 36.40% ownership interest, capital contributions amounted to ThCh$15,229,291 and were carried out on August 23, 2010. These amounts are included as a component of the "capital increases in equity investees" disclosed above. In turn, Holdfab 2 Participações Societárias Ltda. holds a 50% ownership interest in Leão Junior, hence the Company indirectly controls 18.2% of the latter.

- During 2011, Sucos del Valle do Brasil Ltda. changed its name to Sistema de Alimentos de Bebidas do Brasil Ltda. and merged with Mais Industrias de Alimentos S.A. that same year. Rio de Janeiro Refrescos Ltda. held an interest of 6.16% in both companies, but after the corporate restructuring, basically to capitalize income, that share fell to 5.74%.

- During the years ended December 31, 2011, 2010 and 2009, the Company received dividends from its associate Envases CMF S.A. which amounted to ThCh$2,061,957, ThCh$1,379,837 and ThCh$2,000,000 respectively.

- A special shareholders meeting of Envases CMF S.A. approved a capital decrease of ThCh$2,300,000. The Company received ThCh$1,150,000 of that amount, which is shown as an accounts receivable from an affiliate.

Reconciliation of Income by Investment in Associates:

Details	12.31.2011 ThCh$	12.31.2010 ThCh$	12.31.2009 ThCh$
Equity in income of associates	2,541,186	2,984,544	2,506,119
Non-realized earnings in inventory acquired from associates and not sold at the end of period, presented as a discount in the respective asset account (containers and/or inventories)	(600,294)	(754,875)	(987,487)
Amortization of gain sale of property plant and equipment Envases CMF	85,266	85,266	85,266
Income Statement Balance	**2,026,158**	**2,314,935**	**1,603,898**

NOTE 14 — INTANGIBLE ASSETS AND GOODWILL

14.1 Intangible assets not considered as goodwill

Intangible assets not considered as goodwill as of the end of each period are detailed as follows:

Description	December 31, 2011 Gross Amount ThCh$	December 31, 2011 Cumulative Amortization ThCh$	December 31, 2011 Net Amount ThCh$	December 31, 2010 Gross Amount ThCh$	December 31, 2010 Cumulative Amortization ThCh$	December 31, 2010 Net Amount ThCh$
Water rights	526,342	(103,879)	422,463	522,750	(94,124)	428,626
Software	8,974,534	(8,258,140)	716,394	8,718,483	(7,781,514)	936,969
Total	**9,500,876**	**(8,362,019)**	**1,138,857**	**9,241,233**	**(7,875,638)**	**1,365,595**

The movement and balances of identifiable intangible assets are detailed as follows for the period January 1 to December 31, 2011, 2010 and 2009:

Description	December 31, 2011 Water rights ThCh$	December 31, 2011 Software ThCh$	December 31, 2011 Total ThCh$	December 31, 2010 Water rights ThCh$	December 31, 2010 Software ThCh$	December 31, 2010 Total ThCh$	December 31, 2009 Water rights ThCh$	December 31, 2009 Software ThCh$	December 31, 2009 Total ThCh$
Initial balance	428,626	936,969	1,365,595	426,902	1,690,431	2,117,333	119,605	2,336,157	2,455,762
Additions	—	418,182	418,182	16,710	181,123	197,833	405,798	66,746	472,544
Amortization	(7,207)	(661,989)	(669,196)	(8,024)	(907,477)	(915,501)	(98,501)	(744,284)	(842,785)
Other increases (decreases)	1,044	23,232	24,276	(6,962)	(27,108)	(34,070)	—	31,812	31,812
Final balance	**422,463**	**716,394**	**1,138,857**	**428,626**	**936,969**	**1,365,595**	**426,902**	**1,690,431**	**2,117,333**

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14.2 Goodwill

Movement in goodwill during the years 2011, 2010 and 2009 is detailed as follows:

Year ended December 31, 2011

Cash generating unit	01.01.2011	Additions	Disposals or impairments	Foreign currency translation difference – functional currency different from currency of presentation	12.31.2011
	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
Brazilian operation	42,298,955	—	—	(601,951)	41,697,004
Argentine operation	15,471,380	—	—	383,794	15,855,174
Total	**57,770,335**	—	**—**	**(218,157)**	**57,552,178**

Year ended December 31, 2010

	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
Brazilian operation	43,820,310	—	—	(1,521,355)	42,298,955
Argentine operation	17,540,035	—	—	(2,068,655)	15,471,380
Total	**61,360,345**	—	**—**	**(3,590,010)**	**57,770,335**

Year January — December, 2009

	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
Brazilian operation	41,042,712	—	—	2,777,598	43,820,310
Argentine operation	24,226,359	—	—	(6,686,324)	17,540,035
Total	**65,269,071**	**—**	**—**	**(3,908,726)**	**61,360,345**

NOTE 15 — OTHER CURRENT AND NON-CURRENT FINANCIAL LIABILITIES

Liabilities are detailed as follows:

	12.31.2011	12.31.2010
	ThCh$	ThCh$
Current		
Bank loans	8,689,670	6,941,133
Bonds payable	3,426,922	3,120,737
Forward contract obligations	163,718	917,219
Deposits in guarantee	10,813,092	8,002,105
CPMF(1)	—	1,934,529
Total	**23,093,402**	**20,915,723**
Non-current		
Bank loans	5,081,986	593,726
Bonds payable	69,559,417	69,855,733
Total	**74,641,403**	**70,449,459**

(1) In 1999, the Company's subsidiary Rio Janeiro Refrescos Ltda. filed a tax lawsuit against the Brazilian Treasury for alleged unconstitutionality in the collection of the tax called CPMF (Contribuição Provisória sobre Movimentação Financeira) on the debits and credits to bank current accounts. While the subsidiary obtained a provisional suspension of said payments from the Courts of Justice, the corresponding tax obligation was still provisioned. In November 2006, the Courts of Justice ruled the constitutionality of the referred tax and Refrescos came to an agreement with the Brazilian Treasury to divide payments in 60 installments.

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15.1.1 Bank loans, current

Indebted Entity			Creditor Entity							Maturity		Total	
Tax ID,	Name	Country	Tax ID,	Name	Country	Currency	Amortization Year	Effective Rate	Nominal Rate	Up to 90 days	90 days up to 1 year	At 12.31.2011	At 12.31.2010
												ThCh$	ThCh$
Foreign	Embotelladora del Atlántico S.A.	Argentina	Foreign	Banco Nación Bicentenario (1)	Argentina	Argentine peso	At maturity	14.80%	9.90%	—	739,966	739,966	—
Foreign	Embotelladora del Atlántico S.A.	Argentina	Foreign	Banco Nación	Argentina	Argentine peso	At maturity	11.85%	11.85%	1,516,442	4,021,000	5,537,442	—
Foreign	Embotelladora del Atlántico S.A.	Argentina	Foreign	Banco de Galicia	Argentina	Argentine peso	At maturity	12.50%	12.50%	—	—	—	9,220
Foreign	Embotelladora del Atlántico S.A.	Argentina	Foreign	Banco BBVA Francés	Argentina	Argentine peso	At maturity	13.22%	13.22%	—	—	—	6,545,691
Foreign	Embotelladora del Atlántico S.A.	Argentina	Foreign	Banco Nuevo Santa Fe	Argentina	Argentine peso	At maturity	10.25%	10.25%	—	—	—	5,032
Foreign	Rio de Janeiro Refrescos Ltda.	Brazil	Foreign	Banco Votorantim	Brazil	Real	Monthly	9,40%	9.40%	28,430	158,904	187,334	197,880
Foreign	Rio de Janeiro Refrescos Ltda.	Brazil	Foreign	Banco alfa	Brazil	Real	Monthly	11.07%	11.07%	—	—	—	49,310
91.144.000-8	Embotelladora Andina S.A.	Chile	97.004.000-5	Banco BBVA	Chile	Chilean peso	At maturity	6.50%	6.50%	1,827,000	—	1,827,000	—
91.144.000-8	Embotelladora Andina S.A.	Chile	97.004.000-5	Banco BBVA	Chile	Chilean peso	At maturity	8.88%	8.88%	397,928	—	397,928	—
91.144.000-8	Embotelladora Andina S.A.	Chile	97.004.000-5	Banco de Chile	Chile	Chilean peso	At maturity	4.50%	4.50%	—	—	—	134,000
											Total	8,689,670	6,941,133

15.1.2 Bank loans, non current

Indebted Entity			Creditor Entity							Maturity			Total	
Tax ID,	Name	Country	Tax ID,	Name	Country	Currency	Amortization Year	Effective Rate	Nominal Rate	1 year up to 3 years	3 years up to 5 years	More than 5 years	At 12.31.2011	At 12.31.2010
										ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
Foreign	Rio de Janeiro Refrescos Ltda.	Brazil	Foreign	Banco Votorantim	Brazil	Real	Monthly	9.40%	9.40%	159,105	145,756	92,717	397,578	593,726
Foreign	Embotelladora del Atlántico S.A.	Argentina	Foreign	Banco Nación Bicentenario(1)	Argentina	Argentine pesos	At maturity	14.80%	9.90%	1,222,020	3,462,388	—	4,684,408	—
												Total	5,081,986	593,726

(1) The Bicentennial loan granted at a prime rate by Banco de la Nacion Argentina to Embotelladora del Atlantico S.A. is a benefit from the Argentine government to encourage investment projects. Embotelladora del Atlantico S.A. registered investment projects and received this loan at a prime rate of 9.9% annually. The loan has been recorded in the financial statements at the fair value, i.e. using the market rate of 14.8% per annum. The interest differential of ThCh$ 639,844 is recorded as a component of the fixed asset balance and depreciated over its estimated useful life.

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15.2.1 Bonds payable

Composition of bonds payable	Current		Non-Current		Total	
	12.31.2011	12.31.2010	12.31.2011	12.31.2010	12.31.2011	12.31.2010
	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
Bonds (face rate interest)	3,674,408	3,359,692	71,877,478	72,324,782	75,551,886	75,684,474
Expenses of bond issuance and discounts on placement	(247,486)	(238,955)	(2,318,061)	(2,469,049)	(2,565,547)	(2,708,004)
Net balance presented in statement of financial position	**3,426,922**	**3,120,737**	**69,559,417**	**69,855,733**	**72,986,339**	**72,976,470**

15.2.2 Current and non-current balances

The bonds correspond to Series B UF bonds issued on the Chilean market. These instruments are further described below:

Bond registration or identification number	Serie	Face amount	Unit of adjustment	Interest rate	Final maturity	Interest payment	Next amortization of capital	Par value 12.31.2011	Par value 12.31.2010
								ThCh$	ThCh$
Bonds, current portion									
SVS Registration No, 254, 6/13/2001	B	3,370,913	UF	6.5	06.01.2026	Semestral	12.01.2012	3,674,408	3,359,692
Total current portion								**3,674,408**	**3,359,692**
Bonds, non-current portion									
SVS Registration No, 254, 6/13/2001	B	3,370,913	UF	6.5	06.01.2026	Semestral	12.01.2013	71,877,478	72,324,782
Total, non-current portion								**71,877,478**	**72,324,782**

Accrued interest included in the current portion of bonds totaled ThCh$ 400,661 and ThCh$421,282 at December 31, 2011 and 2010, respectively.

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15.2.3 Non-current maturities

	Series	Year of maturity 2013	2014	2015	2016	Después	Total non-current 12.31.2011
		ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
SVS Registration 254, 6/13/2001	B	3,486,539	3,713,164	3,954,523	4,211,566	56,511,686	71,877,478

15.2.4 Market rating

The bonds issued on the Chilean market had the following rating at December 31, 2011:

AA + : Rating assigned by Fitch Chile
AA + : Rating assigned by Feller & Rate

15.2.5 Restrictions

The following restrictions apply to the issuance and placement of the Company's bonds on the Chilean market in 2001 for a total of UF 3,700,000. Of that amount, UF3,370,912.55 is outstanding:

- Embotelladora Andina S.A. must maintain a debt level in which consolidated financial liabilities do not exceed 1.20 times the consolidated equity. As defined in the debt agreements, consolidated financial liabilities will be considered to be current interest-accruing liabilities, namely: (i) Other financial liabilities, plus (ii) Other non-current financial liabilities. Total equity plus non-controlling interests will be considered consolidated Equity.

- Consolidated assets must be kept free of any pledge, mortgage or lien for an amount at least equal to 1.30 times the consolidated unsecured current liabilities of the issuer.

- The franchise of The Coca-Cola Company in Chile, called Metropolitan Region, must be maintained and in no way forfeited, sold, assigned or transferred to a third party. This franchise is for the elaboration, production, sale and distribution of Coca-Cola products and brands according to the bottlers' agreement or periodically renewable licenses.

- The territory now under franchise to the Company by The Coca-Cola Company in Argentina or Brazil, which is used for the preparation, production, sale and distribution of Coca-Cola products and brands, must not be forfeited, sold, assigned or transferred to a third party, provided such territory represents more than 40% of the adjusted consolidated operating flow of the Company.

The Company was in compliance with all financial covenants at December 31, 2011 and 2010.

15.2.6 Repurchased bonds

In addition to UF bonds, the Company holds bonds issued by itself that it has repurchased in full through companies that are integrated in the consolidation:

Through its subsidiaries, Abisa Corp S.A. (formerly Pacific Sterling), Embotelladora Andina S.A. repurchased its Yankee Bonds issued on the U.S. Market during the years 2000, 2001, 2002, 2007 and 2008. The entire placement amounted to US$350 million, of which US$200 million are outstanding and are presented after deducting the long-term liability from the other financial liabilities item.

Rio de Janeiro Refrescos Ltda. holds a liability corresponding to a US$75 million bond issue expiring in December 2012, with semi-annual interest payments. At December 31, 2011 and 2010, those bonds were held in full by Abisa Corp S.A., (formerly Pacific Sterling). Consequently, the assets and liabilities relating to that transaction have been eliminated from these consolidated financial statements. Furthermore, that transaction has been treated as an investment by the group in the Brazilian subsidiary, so the effects of foreign exchange differences between the dollar and the functional currency of each of the entities have been charged to other comprehensive income.

15.2.7 Liability for Banking fees (CPMF)

These amounts are liabilities for banking fees on bonds owed by our subsidiary, Rio de Janeiro Refrescos Ltda.:

	12.31.2011	12.31.2010
	ThCh$	ThCh$
Current	—	1,934,529
Total	**—**	**1,934,529**

15.2.8 Forward contract obligations

Please see the explanation in Note 20.

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NOTE 16 — TRADE AND OTHER CURRENT ACCOUNTS PAYABLE

Trade and other current accounts payable are detailed as follows:

Item	12.31.2011 ThCh$	12.31.2010 ThCh$
Trade accounts payable	112,963,542	94,824,152
Withholdings	14,977,133	10,434,297
Others	97	23,886
Total	**127,940,772**	**105,282,335**

NOTE 17 — PROVISIONS

17.1 Balances

The balances of provisions recorded by the Company at December 31, 2011 and 2010 are detailed as follows:

Description	12.31.2011 ThCh$	12.31.2010 ThCh$
Litigation (1)	7,970,835	4,328,367
Total	**7,970,835**	**4,328,367**
Current	87,966	60,748
Non-current	7,882,869	4,267,619
Total	**7,970,835**	**4,328,367**

(1) These provisions correspond mainly to provisions for probable losses due to fiscal, labor and trade contingencies based on the opinion of management after consultation with its legal counsel.

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17.2 Movements

Movement in the main items included under provisions is detailed as follows:

Description	12.31.2011			12.31.2010			12.31.2009		
	Litigation	Others	Total	Litigation	Others	Total	Litigation	Others	Total
	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
Initial Balance at January 1	**4,328,367**	—	**4,328,367**	**4,461,153**	**34,833**	**4,495,986**	**2,901,205**	**30,012**	**2,931,217**
Additional provisions	—	—	—	875,703	—	875,703	2,752,562	9,821	2,762,383
Increase (decrease) in existing provisions	4,370,851	—	4,370,851	381,875	—	381,875	29,318	—	29,318
Provision used (payment made) on account of the provision)	(702,552)	—	(702,552)	(1,146,574)	(34,833)	(1,181,407)	(871,587)	—	(871,587)
Reversal of unused provision							(1,213)	(5,000)	(6,213)
Increase (decrease) foreign exchange rate difference	(25,831)	—	(25,831)	(243,790)	—	(243,790)	(349,132)	—	(349,132)
Ending Balance	**7,970,835**	—	**7,970,835**	**4,328,367**	—	**4,328,367**	**4,461,153**	**34,833**	**4,495,986**

NOTE 18 — OTHER CURRENT AND NON-CURRENT NON-FINANCIAL LIABILITIES

Other current and non-current liabilities at each year end are detailed as follows:

Description	12.31.2011	12.31.2010
	ThCh$	ThCh$
Minimum dividend liability (30%)	8,766,572	10,723,669
Dividend payable	6,876,934	6,925,621
Employee remuneration payable	6,354,817	6,635,679
Accrued vacations	7,723,738	6,635,265
Other	1,056,160	363,190
Total	**30,778,221**	**31,283,424**
Current	30,341,479	30,962,748
Non-current	436,742	320,676
Total	**30,778,221**	**31,283,424**

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NOTE 19 — EQUITY

19.1 Paid-in Capital

The paid-in capital of the Company totaled ThCh$230,892,178 as of December 31, 2011, divided into 760,274,542 Series A and B shares. The distribution and differentiation of these is detailed as follows:

19.1.1 Number of shares:

Series	Number of shares subscribed	Number of shares paid in	Number of voting shares
A	380,137,271	380,137,271	380,137,271
B	380,137,271	380,137,271	380,137,271

19.1.2 Capital:

Series	Subscribed capital	Paid-in Capital
	ThCh$	ThCh$
A	115,446,089	115,446,089
B	115,446,089	115,446,089
Total	**230,892,178**	**230,892,178**

19.1.3 Rights of each series:

- Series A: Election of 6 of the 7 directors and their respective alternates.
- Series B: Receipt of 10% more of dividends than what is received by holders of Series A shares, and election of 1 of 7 directors and the respective alternate.

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19.2 Dividend policy

According to Chilean law, cash dividends must be paid equal to at least 30% of annual net profits, barring a unanimous vote by shareholders to the contrary. If there is no net profit in a given year, the Company will not be legally obligated to pay dividends from retained earnings. At the April, 2011 Annual Shareholders Meeting, the shareholders authorized the Board of Directors to pay interim dividends during July and October 2011 and January 2012, at its discretion.

During 2011, the Shareholders' Meeting approved an extraordinary dividend payment against the retained earnings fund. It is not guaranteed that those payments will be repeated in the future.

Regarding Circular Letter N°1945 of the Chilean Superintendency of Securities and Insurance, the Company does not present any adjustments to be made in order to determine distributable net earnings to comply with minimum legal amounts.

Pursuant to Circular Letter N° 1,945 of the Chilean Superintendency of Securities and Insurance dated September 29, 2009, the Company's Board of Directors decided to maintain the initial adjustments of adopting IFRS as retained earnings for future distribution.

Retained earnings at the date of IFRS adoption amounted to ThCh$19,260,703, of which ThCh$3,621,923 have been realized at December 31, 2011 and are available for distribution as dividends in accordance with the following:

Concept	Event when amount is realized	Amount of accumulated earnings at 01.01.2009	Realized at 12.31.2011	Amount of accumulated earnings at 12.31.2011
		ThCh$	ThCh$	ThCh$
Revaluation of assets	Sale or impairment	12,538,123	(2,984,075)	9,554,048
Foreign currency translation differences of investments in related companies	Sale or impairment	6,393,518	—	6,393,518
Full absorption cost accounting	Sale of products	813,885	(813,885)	—
Post-employment benefits actuarial calculation	Termination of employees	929,560	(395,016)	534,544
Deferred taxes complementary accounts	Amortization	(1,414,383)	571,053	(843,330)
Total		**19,260,703**	**(3,621,923)**	**15,638,780**

The dividends declared and paid during 2011 and 2010 are presented below:

Dividend payment date		Dividend type	Profits imputable to dividends	Ch$ per Series A Share	Ch$ per Series B Share
2011	January	Interim	2010	8.50	9.35
2011	May	Final	2010	13.44	14.784
2011	July	Additional	Retained Earnings	50.00	55.00
2011	July	Interim	2011	8.50	9.35
2011	October	Interim	2011	8.50	9.35
2010	January	Interim	2009	7.00	7.70
2010	April	Final	2009	11.70	12.87
2010	May	Additional	Retained Earnings	50.00	55.00
2010	July	Interim	2010	8.50	9.35
2010	October	Interim	2010	8.50	9.35
2009	January	Interim	2009	7.00	7.70
2009	April	Final	2009	14.13	15.543
2009	May	Additional	Retained Earnings	43.00	47.30
2009	July	Interim	2010	7.00	7.75
2009	October	Interim	2010	7.00	7.75

19.3 Reserves

19.3.1 Legal and statutory reserves

In accordance with Official Circular No. 456 issued by the Chilean Superintendency of Securities and Insurance, the legally required price-level restatement of paid-in capital for 2009 is presented as part of other equity reserves and was accounted for as a capitalization from Other Reserves with no impact on net income or retained earnings under IFRS. This amount totaled ThCh$5,435,538 at December 31, 2009.

19.3.2 Foreign currency translation reserves

This corresponds to the conversion of the financial statements of foreign subsidiaries whose functional currency is different from the presentation currency of the consolidated financial statements. Foreign currency translation differences between the receivable held by Abisa Corp S.A. and owed by Rio de Janeiro Refrescos Ltda. are also shown in this account, which has been treated as an investment in Equity Investees (associates and joint ventures). Foreign currency translation reserves are detailed as follows:

Description	12.31.2011	12.31.2010	12.31.2009
	ThCh$	ThCh$	ThCh$
Rio de Janeiro Refrescos Ltda.	(1,274,857)	1,324,710	6,495,746
Embotelladora del Atlántico S.A.	(19,072,195)	(19,706,911)	(15,428,107)
Foreign currency translation differences Abisa Corp.- Rio de Janeiro Refrescos Ltda.	(2,112,827)	(3,200,224)	(1,354,797)
Total	**(22,459,879)**	**(21,582,425)**	**(10,287,158)**

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The movement of this reserve for the fiscal periods ended December 31, 2010, 2010 and 2009 respectively is detailed as follows:

Description	12.31.2011 ThCh$	12.31.2010 ThCh$	12.31.2009 ThCh$
Rio de Janeiro Refrescos Ltda.	(2,599,567)	(5,171,036)	6,495,746
Embotelladora del Atlántico S.A.	634,716	(4,278,804)	(15,428,107)
Foreign exchange Rate Differences Abisa Corp. - Rio de Janeiro Refrescos Ltda.	1,087,397	(1,845,427)	(1,354,797)
Total	**(877,454)**	**(11,295,267)**	**(10,287,158)**

19.4 Non-controlling interests

This is the recognition of the portion of Equity and income from subsidiaries that are owned by third parties, The detail of this account at December 31, 2011 is as follows:

		Non-controlling Interests	
Description	Percentage %	Shareholders' Equity ThCh$	Income ThCh$
Embotelladora del Atlántico S.A.	0.0209	8,981	3,015
Andina Inversiones Societarias S.A.	0.0001	34	4
Total		**9,015**	**3,019**

19.5 Earnings per share

The basic earnings per share presented in the statement of comprehensive income are calculated as the quotient between income for the year and the average number of shares outstanding during the same period.

The earnings per share used to calculate basic and diluted earnings per share at December 31, 2011 and 2010, respectively, is detailed as follows:

		12.31.2011	
Earnings per share	SERIES A	SERIES B	TOTAL
Earnings attributable to shareholders (ThCh$)	46,203,022	50,821,383	97,024,405
Average weighted number of shares	380,137,271	380,137,271	760,274,542
Earnings per basic and diluted share (in pesos)	**121,54**	**133,69**	**127,62**

Earnings per share	12.31.2010 SERIES A	SERIES B	TOTAL
Earnings attributable to shareholders (ThCh$)	49,333,069	54,264,303	103,597,372
Average weighted number of shares	380,137,271	380,137,271	760,274,542
Earnings per basic and diluted share (in pesos)	**129.78**	**142.75**	**136.26**

Earnings per share	12.31.2009 SERIES A	SERIES B	TOTAL
Earnings attributable to shareholders (ThCh$)	46,658,396	51,324,334	97,982,730
Average weighted number of shares	380,137,271	380,137,271	760,274,542
Earnings per basic and diluted share (in pesos)	**122.74**	**135.01**	**128.88**

NOTE 20 — DERIVATIVE ASSETS AND LIABILITIES

The company held the following derivative liabilities at December 31, 2011 and 2010:

20.1 Currency forwards for highly probable expected transactions:

During 2010, the Company made agreements to hedge the exchange rate in the purchases of fixed assets in a foreign currency during 2011. Those agreements were appraised at the fair value, resulting in a net profit of ThCh$134,572 for 2011 (net loss of ThCh$913,378 at December 31, 2010). No such agreements were outstanding at December 31, 2011 (there was a derivative liability outstanding for ThCh$431,236 at December 31, 2010). Since these agreements did not meet the documentation requirements of IFRS to be considered hedges, they were accounted for as investment contracts and the effects recorded directly in income.

In 2011 and 2010, the Company made agreements to hedge the exchange rate in the purchases of raw materials and future flows in 2011 and 2012. The outstanding agreements totaled ThUS$42,500 at December 31, 2011. They were appraised at the fair value, which resulted in a net profit of ThCh$1,347,277 for 2011 (a net loss of ThCh$485,983 at December 31, 2010). Liabilities of ThCh$163,718 were recognized at December 31, 2011 and of ThCh$485,983 at December 31, 2010. The agreements oustanding at December 31, 2011 also required leaving financial instruments as collateral against performance, which totaled ThCh$2,372,559 on the closing date. Since these agreements did not meet the documentation requirements of IFRS to be considered hedges, they were accounted for as investment contracts and the effects recorded directly in income.

20.2 Foreign currency forward of items recognized in the accounting:

At December 31, 2010, the Company had sugar sales contracts with the London Exchange to hedge a variable price in the supply of sugar during 2010. These contracts expired during 2010, and were accounted for at fair value. At December 31, 2010 these contracts generated net earnings amounting to ThCh$2,121,469. Since these contracts do not meet the documentation requirements of IFRS to be treated as hedging, they have been treated as investment contracts and the effects have been charged directly to income.

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Fair value hierarchy

The Company had a total liabilities related to its foreign exchange forward contracts of ThCh$163,718, which are classified within the other current non-financial liabilities and are carried at fair value on the statement of financial position. The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities
Level 2: Assumptions different to quoted prices included in level 1 and that are applicable to assets and liabilities, be it directly (as Price) or indirectly (i.e. derived from a Price)
Level 3: Assumptions for assets and liabilities that are not based on information observed directly in the market.

During the reporting period ended December 31, 2011, there were no transfers of items between fair value measurements categories all of which were valued during the period using level 2.

	Fair Value Measurements at December 31, 2011			
	Quoted prices in actives markets for Identical Assets (Level 1) ThCh$	Significant other observable inputs (Level 2) ThCh$	Significant unobservable Inputs (Level 3) ThCh$	Total ThCh$
Liabilities:				
Current liabilities				
Other financial current liabilitiess	—	163,718	—	163,718
Total liabilities	—	**163,718**	**—**	**163,718**

NOTE 21 — CONTINGENCIES AND COMMITMENTS

21.1 Lawsuits and other legal actions:

The Parent Company and its Subsidiaries face litigation or potential litigation, in and out of court, that might result in material or significant losses or gains, in the opinion of the Company's legal counsel, detailed as follows:

1) Embotelladora del Atlántico S.A. is a party to labor and other lawsuits: Accounting provisions have been made for the contingency of a probable loss because of these lawsuits, totaling ThCh$1,042,324. Management considers it unlikely that non-provisioned contingencies will affect the Company's income and Equity, based on the opinion of its legal counsel.

2) Rio de Janeiro Refrescos Ltda. is involved in current lawsuits and probable lawsuits regarding labor, tax and other matters. The accounting provisions to cover contingencies of a probable loss total ThCh$6,870,999. Management considers it unlikely that non-provisioned contingencies will affect income and Equity of the Company, based on the opinion of its legal counsel. As it is customary in Brazil, the Company has been required by the tax authorities to guaranty contingencies in the amounts of ThCh$19,898,604 in 2011 and ThCh$12,720,301 in 2010 although occurrence possibility of these contingencies are remote, probable or possible.

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3) Embotelladora Andina S. A. is involved in tax, commercial, labor and other lawsuits. The accounting provisions to cover contingencies for probable losses because of these lawsuits total ThCh$57,512. Management considers it unlikely that non-provisioned contingencies will affect income and Equity of the company, in the opinion of its legal advisors.

On April 28, 2011 the Company was legally informed of an anti-competition lawsuit filed by the Chilean Fiscalía Nacional Económica ("Chilean National Economic Prosecutor", the FNE) before the Tribunal de Defensa de la Libre Competencia ("Chilean Anti-Competition Court", the TDLC) against Embotelladora Andina S.A. and Coca-Cola Embonor S.A. This lawsuit indicates that said companies would have violated the regulation of free competition by establishing a system of granting incentives in the traditional distribution channel since these points of sale do not advertise, exhibit and/or commercialize, in any manner, the so called "B-brands" or alternative soft drink beverages. This lawsuit ended on November 22, 2011, by approval of the Anti-competition Court of the terms of reconciliation proposed November 15, 2011 by the National Economic Prosecutor, Embotelladora Latinoamericana S.A., Embotelladora Castel Ltda., Industrial y Comercial Lampa S.A., Sociedad Comercial Antillanca Ltda., Coca-Cola Embonor S.A. and Embotelladora Andina S.A..

As a result of this agreement, the Company assumed certain commitments that included allowing 20% of space to be available in refrigerators provided by Embotelladora Andina S.A. at certain points of sale in the traditional channel where there are no other refrigerators, for a period of five years.

The reconciliation agreement did not impose fines nor constitute an acknowledgement of liability in the anti-competition offenses.

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21.2 Direct guarantees and restricted assets:

Guarantees and restricted assets as of December 31, 2011 and 2010 are detailed as follows:

Guarantee in favor of	Provided by		Committed assets		Carrying amount	Balance pending payment on the closing date of the financial statements		Date of guarantee release	
	Name	Relationship	Carrying amount	Type		2011	2010	2012	2014
					ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
Aduana de EZEIZA	Embotelladora del Atlántico S.A.	Subsidiary	Guarantee insurance	Export	21,894	—	—	—	—
Aduana de EZEIZA	Embotelladora del Atlántico S.A.	Subsidiary	Guarantee insurance	Import	6,657	—	—	—	—
Aduana de EZEIZA	Embotelladora del Atlántico S.A.	Subsidiary	Guarantee insurance	Substitution for collateral	483				
Poder Judiciario	Rio de Janeiro Refrescos Ltda.	Subsidiary	Judicial deposit	Long term asset	19,989,604	—	—	—	—
Serviu Región Metropolitana	Embotelladora Andina S.A.	Parent Company	Guarantee receipt	Guarantee receipt	—	2,907	2,778	—	—
Hospital San Jose	Embotelladora Andina S.A.	Parent Company	Guarantee receipt	Guarantee receipt	—	512	—	512	—
Director Regional De Validad Metropolitana	Embotelladora Andina S.A.	Parent Company	Guarantee receipt	Guarantee receipt	—	1,116	—	1,116	—
Tesorero Municipal de Renca	Embotelladora Andina S.A.	Parent Company	Guarantee receipt	Guarantee receipt	—	89,306		89,306	—
Linde Gas Chile S.A.	Embotelladora Andina S.A.	Parent Company	Guarantee receipt	Guarantee receipt	—	155,760		—	155,760
AGA	Embotelladora Andina S.A.	Parent Company	Guarantee receipt	Contract	—	—	145,569	—	—
Rofex	Embotelladora del Atlántico S.A.	Subsidiary	Financial instruments	Derivatives transactions	2,372,559	163,718	—	—	—

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NOTE 22 — FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's businesses are exposed to diverse financial risks: market risk (including foreign exchange rate risk, fair value interest rate risk and price risk). The Group's global risk management program concentrates on the uncertainty of financial markets and tries to minimize potentially adverse effects on the financial returns of the Group. The Group uses derivatives to hedge certain risks. Below is a description of the primary policies established by the Group to manage financial risks.

Interest rate risk

As of December 31, 2011, the Company carried all of its debt at a fixed rate. Consequently, the risk of fluctuations in market interest rates as compared to the Company's cash flows is low.

Foreign currency risk

Sales revenues earned by the Company are linked to the local currencies of countries in which it does business, the detail of which is detailed as follows:

CHILEAN PESO	BRAZILIAN REAL	ARGENTINE PESO
31%	45%	24%

Since the Company's income is not tied to the US dollar, the policy of managing that risk, meaning the gap between assets and liabilities denominated in that currency, has been to hold financial investments in dollar—denominated instruments for at least the equivalent of the liabilities denominated in that currency.

Additionally and depending on market conditions, the Company's policy is also to make foreign currency hedge contracts to reduce the foreign exchange rate impact on cash outflows expressed in US dollars, corresponding mainly to payments made to raw material suppliers. In accordance with the percentage of raw material purchases that are indexed to the US dollar, if the currencies were to devalue by 5% in the three countries where the Company operates, it would generate a decrease cummulative at December 31, 2011 in income of ThCh$5,367,802

The exposure to conversion differences of subsidiaries abroad (Brazil and Argentina), because of the difference between monetary assets and liabilities, i.e., those denominated in a local currency and consequently exposed to foreign currency translation risk from translation from their functional currency to the presentation currency of the consolidated statements, is only hedged when it is predicted that material adverse differences could occur and when the cost associated with such hedging is deemed reasonable by the management. For the period January through December 2011, the Brazilian real and Argentine peso recorded average devaluations of 0.18% and 10.19%, respectively, regarding the presentation currency of the same period in 2010. If the Brazilian real and the Argentine peso regarding the presentation currency would have devalued 3.0% and 12.0% respectively, the income account would have recorded lower earnings in the amount of ThCh$1,352,195. On the other hand, at equity level, this same scenario would cause the rest of the conversion of assets and liabilities accounts to decrease equity by ThCh$1,830,574.

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Commodities risk

The Company faces a risk of price fluctuations in the international markets for sugar, aluminum and PET resin, which are inputs required to produce beverages and, as a whole, account for 35% to 40% of operating costs. Procurement and anticipated purchase contracts are made frequently to minimize and/or stabilize this risk when market conditions warrant. Commodity hedges have also been used. The possible effects that exist in the present consolidated integral statements of a 5% eventual rise in prices of its main raw materials, would be an approximate reduction in our accumulated results as of December 31, 2011 of around ThCh$7,795,246. In order to minimize and/or stabilize this risk, we frequently enter into anticipated purchase and supply agreements when market conditions are favorable. We have also used commodity hedge agreements.

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NOTE 23 — OTHER OPERATING INCOME

Other operating income is detailed as follows:

Description	01.01.2011 12.31.2011	01.01.2010 12.31.2010	01.01.2009 12.31.2009
	ThCh$	ThCh$	ThCh$
Gain on disposal of property, plant and equipment	673,669	548,111	241,429
Adjustment judicial deposit (Brazil)	784,856	450,299	442,683
Guaxupé tax credits	1,313,212	—	—
Other	137,708	119,469	13,701
Total	**2,909,445**	**1,117,879**	**697,813**

NOTE 24 — OTHER MISCELLANEOUS OPERATING EXPENSES

Other miscellaneous operating expenses are detailed as follows:

Description	01.01.2011 12.31.2011	01.01.2010 12.31.2010	01.01.2009 12.31.2009
	ThCh$	ThCh$	ThCh$
Tax on bank debits	3,074,333	2,966,852	2,459,110
Write-off of property, plant and equipment	2,452,231	—	—
Contingencies	4,370,851	1,257,579	831,048
Professional service fees	1,101,482	1,656,515	823,649
Loss on the sale of property, plant and equipment	415,823	470,459	52,215
Donations	—	862,307	—
Others	500,283	562,112	628,129
Total	**11,915,003**	**7,775,824**	**4,794,151**

NOTE 25 — FINANCE INCOME AND COSTS

Finance income and costs break down as follows:

a) Finance income

Description	01.01.2011 12.31.2011 ThCh$	01.01.2010 12.31.2010 ThCh$	01.01.2009 12.31.2009 ThCh$
Interest income	2,846,728	2,451,808	3,235,543
Other interest income	335,706	924,330	716,236
Total	**3,182,434**	**3,376,138**	**3,951,779**

b) Finance costs

Description	01.01.2011 12.31.2011 ThCh$	01.01.2010 12.31.2010 ThCh$	01.01.2009 12.31.2009 ThCh$
Bond interest	5,092,403	5,022,931	5,272,873
Bank loan interest	1,098,757	1,079,806	565,953
Other interest costs	1,044,016	1,299,094	2,284,678
Total	**7,235,176**	**7,401,831**	**8,123,504**

NOTE 26 — OTHER INCOME/ EXPENSES AND ADJUSTMENTS

Other gains and losses are detailed as follows:

Description	01.01.2011 12.31.2011 ThCh$	01.01.2010 12.31.2010 ThCh$	01.01.2009 12.31.2009 ThCh$
Profit on the sale of shares in Vital S.A.	653,214	—	—
Derivatives transactions	1,481,849	722,108	(1,368,800)
Adjustment of judicial deposits (Brazil)	—	—	2,435,639
Expenses at new Renca Plant	(304,629)	(416,618)	—
Insurance deductible and donations due to earthquake	—	(620,512)	—
Other income and outlays	(335,516)	(169,619)	(392,666)
Total	**1,494,918**	**(484,641)**	**674,173**

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NOTE 27 — THE ENVIRONMENT

The Company has made disbursements totaling ThCh$3,198,110 for improvements in industrial processes, equipment to measure industrial waste flows, laboratory analyses, consulting on environmental impacts and other studies.

These disbursements by country are detailed as follows:

	Year 2011		Future commitments	
Country	Recorded as expenses ThCh$	Capitalized to property, plant and equipment ThCh$	Recorded as expenses ThCh$	Capitalized to property, plant and equipment ThCh$
Chile	106,980	110,582	1,260	121,195
Argentina	512,814	6,402	977,802	532,893
Brasil	1,789,748	671,584	1,450,428	1,701,988
Total	**2,409,542**	**788,568**	**2,429,490**	**2,356,076**

NOTE 28 — SUBSEQUENT EVENTS

On March 30, 2012, after completion of due-diligence procedures, the Company signed a Promissory Merger Agreement with Embotelladoras Coca-Cola Polar S.A. (“Polar”). Polar is also a Coca-Cola bottler, with its operations in Chile and Paraguay.

The terms of the merger prescribe the exchange of newly issued Company shares at a rate of 0.33269 Series A shares and 0.33269 Series B shares, for each outstanding share of Polar. This exchange rate implies that the current shareholders of Polar will acquire a 19.68% interest in the Company.

Prior to closing the merger, and subject to the approval by of each of the respective shareholders’ meetings, Andina and Polar will each distribute dividends to their shareholders, in addition to those already declared and distributed to date. Company dividends will amount to Ch$28,155,862,307 and Ch$29,565,609,857, respectively, which represents Ch$35.27 per Series A share and Ch$38.80 per Series B share.

Closing of the merger first requires the approval of the Chilean Superintendence of Securities and Insurance, the Boards of Directors and shareholders of both companies, and the Coca-Cola Company. It also requires registration of new shares to be issued in the exchange. The merger is scheduled to close before August 31, 2012.

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Based on the historical results for the year ended December 31, 2011, the merged entity would have a pro-forma net revenues of approximately US$2.643 million, becoming one of the largest Coca-Cola bottlers in Latin America with operations in Argentina, Brazil, Chile and Paraguay.

Except as noted above, there are no financial or other matters have occurred between the end of the year and the date of preparation of these financial statements that could significantly affect the assets, liabilities, and/or results of the Company.

ITEM 19. EXHIBITS

The exhibits filed with or incorporated by reference in this annual report are listed in the exhibit index below.

EXHIBIT INDEX

Item	Description
1.1	English translation of our Bylaws (filed herewith and also available on our website www.embotelladoraandina.com)
1.2	English translation of a template of the Bottler's Agreement (filed herewith)
1.3	Depositary Agreement with The Bank of New York Mellon (filed herewith)
1.4	Shareholders' Agreement (filed herewith)
1.5	English Translation of the Stock Purchase Agreement and Amendment to the Stock Purchase Agreement (filed herewith)
1.6	Indenture dated as of September 30, 1997 among Embotelladora Andina S.A., Credit Suisse First Boston Corporation, and J.P. Morgan Securities Inc. (incorporated herein by reference and filed with the SEC on September 30, 1997 and also available on our website www.embotelladoraandina.com)
8.1	List of our subsidiaries (filed herewith).
12.1	Certification of Miguel Ángel Peirano, Chief Executive Officer, pursuant to Rule 13-a14(a) (17 CFR 240.13a-12(a)) or Rule 15d-14(a) (17 CFR 240.15d-14(a)) (filed herewith).
12.2	Certification of Andrés Wainer, Chief Financial Officer pursuant to Rule 13-a14(a) (17 CFR 240.13a-12(a)) or Rule 15d-14(a) (17 CFR 240.15d-14(a)) (filed herewith).
13.1	Certification of Miguel Ángel Peirano, Chief Executive Officer, pursuant to 18 U.S.C. Chapter 63, Section 1350, (filed herewith).
13.2	Certification of Andrés Wainer, Chief Financial Officer, pursuant to 18 U.S.C. Chapter 63, Section 1350, (filed herewith).

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SIGNATURE

Pursuant to the requirements of Section 12 of the Securities Exchange Act of 1934, the Registrant certifies that it meets all of the requirements for filing on Form 20-F and has duly caused this Annual Report on Form 20-F to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of Santiago, Chile on April 30, 2012.

EMBOTELLADORA ANDINA S.A.
(ANDINA BOTTLING COMPANY)

/s/ Andrés WainerAndrés Wainer

Andrés Wainer Andrés Wainer
Chief Financial Officer

Date: April 30, 2012

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EXHIBIT 1.1

Exhibit (English translation of Spanish original)

EMBOTELLADORA ANDINA S.A.

CORPORATE BY-LAWS

ORGANIZATION OF THE COMPANY AND MOST RECENT BY-LAWS

A. The Company was organized by public deed executed February 7, 1946, before the Santiago Notary Mr. Luciano Hiriart Corvalan.

- Its existence was authorized, by-laws approved and it was declared legally established by Decree No. 1364 of the Ministry of Finance, dated March 13, 1946.

- Decree No. 1364 and an excerpt of the corporate by-laws were published in Official Gazette No. 20,413 of March 25, 1946.

- The same excerpt of the corporate by-laws is registered on page 768, No. 581 of the Santiago Registry of Commerce for 1946.

- Decree No. 1364 of 1946 is registered on page 770, No. 482 of the Santiago Registry of Commerce for the same year.

B. The latest by-law reform was approved at the Special Shareholders Meeting held on September 30, 1996, the Minutes of which were executed to public deed on October 17, 1996 before the Santiago Notary Mr. Armando Ulloa Contreras, and legalized by registration of its excerpt on page 10,146 No.8,371 of the Santiago Registry of Commerce for 1996, and publication in the Official Gazette No. 35,601 of October 28, 1996.

TITLE FIRST

Name, Domicile, Duration and Object.

ARTICLE FIRST: A stock corporation is organized under the name of "Embotelladora Andina S.A.", which shall be governed by the provisions in these by-laws and in absence thereof, by the provisions in the Stock Corporation Regulations and legal and regulatory provisions in force.

ARTICLE SECOND: The Company's legal domicile shall be the city of Santiago, notwithstanding the special domiciles of offices, agencies or branches that are established in the country as well as abroad.

ARTICLE THIRD: The duration of the company shall be indefinite.

ARTICLE FOURTH: The object of the company shall be to execute and develop the following, either directly itself or through other persons, and either on its own account or that of others:

a. Develop one or more industrial establishments dedicated to the business, operations and activities to manufacture, produce, elaborate, transform, bottle, can, distribute, transport, import, export, purchase, sell and market in general, in any form and in any way, any type of food product and in particular any type of mineral water, juice, beverage and drink in general or other similar products, and raw materials or semi-finished materials used in such activities and/or products complementary or related to the preceding businesses and activities;

b. Develop one or more agricultural or agro industrial establishments and farm land dedicated to the business, operations and development of agricultural activities and agro industry in general.

c. Produce, elaborate, transform, distribute, transport, import, export, purchase, sell and market in general, in any form and in any way, any type of agricultural products and/or agro industrial products and raw materials, or semi-finished materials used in such activities, and/or products complementary or related to the preceding activities;

d. Manufacture, elaborate, distribute, transport, import, export, purchase, sell and market in general, in any form and in any way, any type of container; and execute and develop any type of material recycling process and activity;

e. Accept from and/or grant the representation of trademarks, products and/or licenses related to such businesses, activities, operations and products to national or foreign companies;

f. Provide any type of service and/or technical assistance in any way related to the goods, products, businesses and activities referred to in the preceding letters;

g. Invest cash surplus, even in the capital market; and

h. In general, undertake all other businesses and activities supplementary or linked to the above mentioned operations.

The Company may execute its objective directly or by participating as a partner or shareholder in other companies or by acquiring rights or interests in any other type of association related to the aforesaid activities.

TITLE SECOND

Capital and Shares.

ARTICLE FIVE: The company´s capital equity is $182,181,421,000 divided into 395,595,788 Series A shares and 395,595,788 Series B shares, both preferred and with no par value, whose features, rights and privileges are indicated in the following paragraphs of this Article:

A) The preference of Series A shares shall consist solely of the right to elect six out of the seven regular Board members the company has, along with their respective Alternates.

B) The preferences of Series B shares shall consist solely of the right to receive all and any of the per share dividends the company may distribute, whether temporary, definitive, minimum mandatory, additional, or eventual, increased by 10%.

C) If in the future because of the exchange of shares, distribution of paid-up shares or issuance of cash shares, or for any other reason or cause, the number of Series A and/or B shares were to increase or decrease, the privileges and rights of the recently indicated series of shares set forth in these by-laws shall not be altered under any circumstance.

In the case where, as a result of the special exchange of shares approved by the Special Shareholders´ Meeting of Embotelladora Andina S.A. held on September 30, 1996, referred to in “Transitory Article Third” of these by-laws, a transitory provision that was added onto the same at the aforementioned Meeting, the number of Series A shares were to decrease to less than 200,000,000 shares, this fact alone means that Series A and B shall be eliminated, and the shares which comprise them shall automatically become common shares without any preference whatsoever, therefore eliminating the division of shares into series.

D) The preferences of Series A and B shares shall remain in effect through the period expiring on December 31, 2130. Once this period has expired, Series A and B shall be eliminated and the shares which comprise them shall automatically become common shares without any preference whatsoever, therefore eliminating the division of shares into series.

E) The preferences of Series A and B shares shall remain in effect even when the shares from this series are transferred and/or transmitted, whether in whole or in part.

F) Series A shares shall be entitled to full voting rights without limitations, notwithstanding this Article and Article Seven of these by-laws regarding the election of the Company´s Board members.

G) Series B shares shall be entitled to a limited voting right, voting only on the following matters: the election of a regular Board member for the company and his respective alternate, pursuant to Article Seven of these by-laws.

ARTICLE SIXTH: Shares shall be nominatives; their subscription and payment, transfer, mentions and formalities of the certificates, the way in which those lost or misplaced shall be replaced, the registration of shareholders and other matters related to the shares and certificates shall be governed by the provisions of Law and its Regulations.

TITLE THIRD

Company Management.

ARTICLE SEVEN: The company shall be managed by a Board comprised of seven regular members, each of whom shall have their respective alternate. The Board members, who may or may not be shareholders, shall hold office for three years and may be reelected indefinitely.

Board members shall be elected by Series A and B shares in separate voting as follows: Series A shares shall elect six regular Board members and their respective alternates and Series B shares shall elect one regular Board member and his respective alternate.

ARTICLE EIGHTH: The status of Director is acquired by expressed or implied acceptance of the designation. If a vacancy were to occur in a directorship, whether regular and alternate, as the case may be, the entire Board shall be renewed at the next Regular Shareholders Meeting to be held by the company, and in the interim, the board may appoint a replacement.

ARTICLE NINTH: The Board shall appoint a Chairman from among its members at the first meeting after the election thereof, who shall also be the Chairman of the company's General Shareholders Meetings, and it shall appoint a Vice-Chairman to hold the office of the former whenever the Chairman cannot for any reason whatsoever.

ARTICLE TENTH: In order to comply with the corporate object within statutory, legal and regulatory limits thereof, the Board may: First.

a) Manage, direct and supervise corporate operations with the most ample powers, perform all acts and enter into all contracts corresponding to the company's business concern and its specific purposes thereof and represent it judicially and extra judicially, notwithstanding the judicial representation pertaining to the General Manager.

b) Appoint the Chairman and Vice-Chairman of the Board, who shall also be the Chairman and Vice-Chairman of General Shareholders Meetings; appoint the General Manager, set his compensation, supervise his acts and remove him from his position or terminate his services;

c) Designate any individual to perform the tasks of Secretary to the Board and General Shareholders Meetings and set the compensation thereof for these services or declare that these tasks must be performed by the General Manager without entitlement to special compensation.

d) Issue, modify and void the internal regulations necessary for the proper operation of the company.

e) Approve the issuance of bonds or debentures.

f) Resolve the establishment of agencies, branches or offices in any other point of the country or abroad.

g) Present an explanatory Annual Report on the Company's situation in the most recent fiscal year to the Regular Shareholders Meeting, within the purview of the Law and its Regulations, as well as a Balance Sheet with a profit and loss statement and report submitted by the external auditors; and propose thereto the distribution of profits, notwithstanding approval of the distribution of provisional dividends during the fiscal year chargeable to profits of the same, provided there are no accumulated losses.

h) Call Regular and Special General Shareholders Meetings and implement and enforce their resolutions.

i) Delegate part of their powers to Managers, Deputy Managers and/or Company Attorneys, to one Director or a committee of Directors and, for specially determined purposes, to other individuals. It may, in use of these powers, confer special powers of attorney required by the General Manager and other officers of the Company to cooperate in the management thereof and exercise their judicial and extrajudicial representation in Chile and abroad.

j) Approve, organize, incorporate, take part or form part of other corporations, partnerships, joint ventures or entities of any kind whose line of business facilitates or complements the corporate object of the Company and effectuate all dealings, adopt all resolutions and perform all acts it deems suitable to corporate interests, unless they are within the exclusive competence, decision or hearing of General Shareholders Meetings.

k) Resolve all matters not stipulated in these by-laws.

ARTICLE ELEVENTH: Directors shall be compensated for the duties they perform as such; the amount of such compensation shall be set annually by the Regular Shareholders Meeting. The foregoing does not prevent other compensation or allowances for duties or services other than the exercise of their positions, and they should comply in such respect with the corresponding legal and regulatory provisions.

ARTICLE TWELFTH: The Board shall hold its meetings at the registered offices, save the Board itself resolves otherwise, and it should meet according to corporate needs. Board Meetings shall be both regular and special. The former shall be held on the dates and at the times pre-set by the Board itself, shall not require any special notice and shall be held at least once a month.

The latter shall be held whenever they are specially summoned by the Chairman himself or at the request of one or more Directors after qualification by the Chairman of the need for the meeting, unless the meeting is requested by two or more directors, in which case the meeting must be held without such prior qualification. Only the matters that are especially indicated in the summons may be discussed at special meetings unless all directors in office are present and unanimously resolve otherwise. The notice of a special meeting shall be made by certified letter sent to the domicile that each of the Directors has registered with the Company at least three days in advance of the date the meeting is to be held; this term may be reduced to twenty-four hours in advance if the letter is delivered personally to each Director by Notary Public. The summons to a special meeting shall contain a reference to the matter(s) to be discussed thereat and may be omitted if all the Directors in office in the company attend the Meeting. The minimum quorum for a meeting shall be an absolute majority of the number of titular Directors established in these by-laws and resolutions shall be adopted by an absolute majority of the voting Directors present, save when the Law, Regulations or these by-laws require a different quorum or majority. In the case of a tie vote, the deciding vote shall be cast by whoever is presiding the meeting.

ARTICLE THIRTEENTH: The duties of a director may not be delegated. However, the board may delegate part of its powers to managers, deputy managers or attorneys of the company, to one director or a committee thereof and for specially determined purposes to other individuals.

ARTICLE FOURTEENTH: The deliberations and resolutions of the board shall be recorded in a special minutes book that shall be signed by the members that have attended the meeting. If any thereof dies or is prevented for any reason from signing the minutes, a record shall be made at the foot thereof of the fact of impediment.

ARTICLE FIFTEENTH: A Director who wishes to avoid his liability for any act or resolution of the board shall record his opposition in the minutes and such fact shall be reported by the Chairman of the company at the earliest Regular General Shareholders Meeting.

TITLE FOURTH

Chairman, Vice-Chairman and Manager.

ARTICLE SIXTEENTH: The Chairman, and in the event of his absence or disability, the Vice Chairman, shall: a) chair the meetings of the board and shareholders meetings; b) summon Board meetings pursuant to article tenth hereof; c) sign deeds and documents that are required to implement the resolutions of the board whenever no other individual has been specifically appointed to do so; d) in general, perform the other tasks that are conferred thereupon by these by-laws and those that the board deems convenient to entrust therewith.

ARTICLE SEVENTEENTH: The Board shall appoint a General Manager of the Company, who shall be responsible for the management of corporate affairs. The position of General Manager is incompatible with that of Chairman, auditor or accountant of the Company.

In addition to the obligations and attributions stipulated therefore by pertinent legal and regulatory provisions, the General Manager shall:

a) perform the operations in the line of business of the company while adhering to the resolutions of the board and shareholders meetings, the laws and regulations and these by-laws;

b) represent the company judicially, being legally vested with the powers set forth in both subparagraphs of article 7 of the Code of Civil Procedure;

c) participate in Board meetings with the right to voice, and shall be liable together with the members thereof for all resolutions damaging to the Company and shareholders when his contrary opinion is not recorded in the respective minutes;

d) perform the tasks of Secretary to the board and shareholders meetings, unless a secretary is especially appointed to such position;

e) organize and inspect the accounting and participate in the preparation of balance sheets and inventories;

f) keep custody of corporate books and documents, ensuring that they are kept with the regularity required by law or by regulatory norms;

g) Supervise the conduct of the Company's employees and workers and adopt the measures he deems suitable in this regard;

h) Make payments ordered by the Board and those pertaining to the Company's management;

i) Order the publications and notices required by law, unless another person is empowered therefore;

j) Pay taxes, assessments and permits within the legal terms therefore; and

k) in general, fulfill the duties and exercise the authorities indicated herein and that the board vests thereupon.

TITLE FIFTH

General Shareholders Meetings.

ARTICLE EIGHTEENTH: General shareholders meetings shall be either regular or special.

ARTICLE NINETEENTH: Regular general shareholders meetings shall be held once a year within the first four months following the date of the annual balance sheet in order to discuss and decide upon the matters indicated in article 56th of Law 18,046.

ARTICLE TWENTIETH: Special General Shareholders Meetings may be held at any time according to corporate needs and to discuss and decide upon any matter within the competence thereof, provided it is indicated in the summons. Only the following matters may be discussed at Special Shareholders Meetings: One) The dissolution of the company; Two) The transformation, merger or division of the Company and a reform of its by-laws; Three) The issuance of bonds or debentures convertible to shares; Four) The conveyance of the fixed assets and liabilities of the company or of all its assets; Five) The granting of real or personal guarantees to secure third-party obligations, except for those of affiliate companies, in which case the approval of the Board shall suffice; and Six) The other matters that by law or the by-laws corresponds to the hearing or competence of Shareholders Meetings. The matters referred to in numbers one), two), three) and four) may only be approved at a Meeting held in presence of a Notary Public, who shall certify that the Minutes are a true record of the events and resolutions adopted at the meeting.

ARTICLE TWENTY-FIRST: Meetings shall be called by the company's board of directors as set forth in article fifty-eight of Law 18,046 and summons thereof shall be given pursuant to article fifty-nine of the same law.

ARTICLE TWENTY-SECOND: General Shareholders Meetings shall be installed upon first notice by an absolute majority of the voting shares issued and upon second notice by the shares present or represented thereat, whatever their number. Resolutions shall be adopted by an absolute majority of the voting shares present or represented, save regarding those matters where the laws or these by-laws require a different quorum or majority.

ARTICLE TWENTY-THIRD: Only those shareholders registered in the Shareholders´ Registry five days prior to the date the corresponding Meeting is to be held shall be entitled to participate in the same and exercise their rights to voice and vote. The shareholders shall be entitled to one vote per each share they own or represent, being able to accumulate or distribute them in the elections as they see fit, notwithstanding the voting right restrictions of Series B preferred shares, as stipulated in letter "G" under Article Five in these by-laws, and notwithstanding, furthermore, the voting right restrictions of the shares owned by the Mutual Funds.

ARTICLE TWENTY-FOURTH: Shareholders may be represented at meetings by other persons even if they are not shareholders. Proxies shall be conferred in writing for all the shares held by the principal on the date indicated in the preceding article. The proxy letters addressed to the company that do not indicate the name of the agent shall be understood as granted to the directors and shall be distributed among the directors in office and present at the meeting in parts equal to the number of shares such proxies represent.

ARTICLE TWENTY-FIFTH: The participants at General Meetings shall sign an attendance sheet where the number of shares held by the signatory shall be indicated after each signature as well as the number of shares he represents and the name of the principal.

ARTICLE TWENTY-SIXTH: The deliberations and resolutions of meetings shall be recorded in a minutes' book that shall be kept by the secretary. Minutes shall be signed by whoever acted as chairman and secretary and by three shareholders elected thereat, or by all those present if less than three.

ARTICLE TWENTY-SEVENTH: The regular shareholders meeting shall annually appoint independent external auditors to examine the accounting, inventory, balance sheet and other financial statements of the company, with the obligation to report in writing to the next regular shareholders meeting on the fulfillment of their mandate.

TITLE SIXTH

Balance Sheet and Distribution of Profits.

ARTICLE TWENTY-EIGHTH: The Company shall prepare a balance sheet annually on its operations as of December 31st, which shall be presented together with the profit and loss statement, the report by the auditors and annual report to the respective shareholders meeting. The board shall send a copy of the balance sheet, annual report, report by the auditors and respective notes to each of the shareholders registered in the Registry no later than by the date the first summons is published. Moreover, the company shall publish the information determined by the Superintendence on its duly audited general balance sheet and profit and loss statements in a widely circulated newspaper in the corporate domicile no less than ten nor more than twenty days in advance of the meeting that must rule thereon, and it shall send such documents to the Superintendence within the same term and maintain them at the disposal of the shareholders as indicated in article fifty-four of Law 18,046 for their perusal during the period stipulated therein.

ARTICLE TWENTY-NINTH: Net profits from the fiscal year shall be allocated as follows: a) a portion equal to at least 30% of the profits, to be distributed as a cash dividend among Series A and B shareholders, prorated according to their shares; b) a sufficient portion shall be allocated to increase the dividend to which Series B shareholders may be entitled as per the above, in the amount necessary to comply with stock preference of the aforementioned Series B as established in letter "B" under Article Five of these by-laws; c) the remaining profits the Junta agrees not to distribute as a dividend during the fiscal year shall be allocated to create the reserve funds determined by the same Shareholders´ Meeting, such balance also being able to be allocated to pay possible dividends in future periods.

An option may be granted to shareholders to receive the amounts approved for payment as a dividend over and above the minimum mandatory dividend indicated in preceding letter "a" plus the increment set in preceding letter "b" in cash, in paid-up shares in the same issue or in shares in open corporations held by the company. The portion of profits not allocated by the Meeting to the payment of dividends may be capitalized at any time under a by-law reform.

TITLE SEVENTH

Dissolution, Liquidation and Jurisdiction.

ARTICLE THIRTIETH: The company shall be dissolved due to the relevant causes set forth by Law.

ARTICLE THIRTY-FIRST: Once the company is dissolved and if its liquidation is necessary, it shall be made by a liquidation commission composed of three liquidators appointed by the shareholders meeting, which shall also set the compensation thereof and the term to perform their task, which may not exceed three years.

ARTICLE THIRTY-SECOND: The difficulties arising among the shareholders as such or between the latter and the company or its managers, either during the life of the company or its liquidation, shall be finally resolved by an arbitrator *ex aequo et bono*, who shall be appointed by a Civil Court of the circuit of Santiago from among the individuals who have been a member attorney or justice of the Supreme Court for at least two years; the provisions in paragraph second of article one hundred and twenty-five of Law 18,046 notwithstanding.

TRANSITORY ARTICLES

TRANSITORY ARTICLE ONE: At Embotelladora Andina S.A.'s Special Shareholders´ Meeting held on September 30, 1996, the corporate by-laws were modified, increasing the number of Board members from five regular Board members and their corresponding alternates to seven regular ones and their corresponding alternates.

The integration of the new number of Board members into the Board shall take place at the first meeting the Board currently in office holds within the month following the month in which the resolutions reached at the Special Shareholders´ Meeting referred to at the beginning of this transitory provision are totally legalized; that is, when the minutes of the aforementioned Meeting are executed to public deed and an excerpt thereof is registered in the Registry of Commerce and published in the Official Gazette. At the aforementioned Meeting, the Board shall appoint two new regular members and their corresponding alternates, thereby leaving the Board with seven regular members and their corresponding alternates.

Until the aforementioned Board meeting is held, the corporate Board shall continue holding meetings with its five current regular members or their corresponding alternates, and shall be able to adopt resolutions with the affirmative votes of at least three of its voting members.

The Board comprised as described above shall remain in office until the date of the next General Shareholders´ Meeting to be held by the company after the date in which the Series A and B shares are issued, an operation which is referred to in Transitory Article Two of the by-laws. At said meeting, the company's total number of Directors shall be elected in the manner set forth under the standing articles of these by-laws.

TRANSITORY ARTICLE TWO: The Special General Shareholders´ Meeting of Embotelladora Andina S.A. held on September 30, 1996 resolved to void the part not subscribed nor paid-in as of the date of the aforementioned Shareholders´ Meeting of the capital increase of the company approved by the Special Shareholders´ Meeting held on April 20, 1994, whose minutes were executed to public deed dated May 12, 1994 in the Santiago Notary Office of José Musalem Saffie, amended by the resolutions adopted in the Special General Shareholders´ Meeting held on October 25, 1994, whose minutes were executed to public deed dated October 28, 1994 in the Santiago Notary Office of José Musalem Saffie. Consequently, on the date of the Special General Shareholders´ Meeting mentioned at the beginning of this transitory provision, the capital equity was set at the amount subscribed and paid-in on such date; that is, at $80,486,421,000 divided into 352,595,788 registered common shares, with no par value, all belonging to one and the same Series, without any preference.

Furthermore, at the same Special General Shareholders´ Meeting referred to at the beginning of this transitory article, it was agreed to increase the equity stock from $80,486,421,000 to $182,181,421,000, and to divide said equity into two series of shares, to be formalized as follows:

A) Capital increase: The increase in capital from $80,486,421,000 divided into 352,595,788 shares with no par value to $182,181,421,000 divided into 395,595,788 shares with no par value, approved by the Special Shareholders´ Meeting mentioned at the beginning of this transitory provision, shall be made, completed and paid as follows:

Through the one-stage issuance of 43,000,000 new shares, with no par value, which the Board shall agree to issue by resolution that it shall adopt within a two-month period from the date of the Special General Shareholders´ Meeting mentioned at the beginning of this transitory provision.

These 43,000,000 shares shall be issued to be payable in cash, exclusively by the company's shareholders entitled to them or by their assignees, at the share placement price determined by the Board in accordance with the power delegated to it by the Special General Shareholders´ Meeting referred to at the beginning of this transitory provision, in accordance with the final paragraph of Article 28 of the Corporations Regulations. Those shareholders who maintain their status as such as of the fifth business day before the day the subscription option notice is published, shall be entitled to a preemptive right to subscribe these shares proportionate to the percentage of shares they own as of that date. The shares to be subscribed by each shareholder, according to his respective percentage, shall be paid in the same act of subscription, in one installment, in cash or by a subscriber's check or cashier´s check made out to the company.

The Board of Directors may decide to place or not place the shares that were not subscribed by the shareholders entitled to them, or by their assignees, within a period of 30 consecutive days from the date the notice is published notifying the shareholders of the commencement of the period for the subscription option, and the shares resulting from fractions stemming from the pro-rating among the shareholders. Should the Board decide to place these shares, it must be done at same price and with the same conditions of issuance made among the shareholders of the company that are interested in the shares, for which purpose the following procedures will be applied:

a.1) Upon exercising their first refusal subscription right, the shareholder or the assignee interested in acquiring the mentioned shares must inform the Chairman of the company of their intention in writing, indicating the amount of additional shares that they want to subscribe.

a.2) On the second business day following the date on which the period the shareholders have to exercise their first refusal right ends, at 12:00 noon at the offices of the Department of Shares of the company, located at Ahumada 312, Office 1013, Township of Santiago, the Manager of the company, or his substitute, shall assign the shares among those interested and who gave notification of their intent to subscribe in the manner detailed in paragraph "a.1" above. Should there not be sufficient shares to satisfy all the offers of subscription, the shares shall be assigned to the interested parties on the basis of pro-rating the number of shares of the company that each one of them subscribes in the first refusal period of the issuance in question, taking into consideration the additional number of shares that each shareholder would have requested.

a.3) The interested parties that have been assigned the shares must subscribe and pay them at once in cash or by a bank check or a bank draft to the order of the company, signing the respective share subscription agreement in the company´s Department of Shares within 10 business days beginning the day following the day on which the company´s Manager or his substitute has made the assignment of these shares, as indicated in paragraph "a.2" above.

a.4) If there are still shares to be subscribed of the shares not subscribed when pertinent by the shareholders or assignees thereof entitled thereto or as a result of fractions of shares arising in the proration once the procedures mentioned in "a.1", "a.2" and "a.3" have been carried out, the Board may place them freely among the company's shareholders as determined thereby, at the same price and conditions of the issuance in question, all within the period of 30 consecutive days as from the day following the day on which the procedure referred to in the letters mentioned at the beginning of this letter a.4 has been completed. The number of shares to be offered to shareholders as determined by the Board in this process, will be determined freely by the Board. Should the shareholders to whom the Board offers said shares accept the offer, they must subscribe and pay for these shares within five business days beginning on the date of the offer notice from the Board. Payment shall be made at the time of the subscription of shares, at once, in cash, by bank check or bank draft to the order of the company, signing the respective subscription agreement in the company´s Department of Shares.

a.5) Should there be any shares not subscribed once the process outlined in "a.4" above is finalized, the issuance of the same will be voided.

If the Board decides not to sell the shares resulting from the fractions of the pro-rata distribution and the shares that have not been subscribed by the shareholders or their assignee entitled thereto during the first refusal period, the issuance of the same will be voided.

The shareholders may transfer all or part of their option right to subscribe the shares to which they are entitled. This must be done be via private deed signed by the assignor and the assignee in the presence of two adult witnesses or in the presence of a Stock Exchange broker or in the presence of a Notary Public. The assignment may also be made through a public deed signed by the assignor and the assignee. To do so, those shareholders who choose to assign their option may request, should they desire, a certificate from the company's Department of Shares, in evidence of said preemptive option right. The assignment of the subscription option right shall only produce effects regarding the company and third parties at the moment the company acknowledges same, for which the assignee shall deliver to the company's Department of Shares the public or private deed of assignment, attaching the above mentioned certificate to this document, in case this document had been requested and withdrawn from the company by the assignor. In each case, the assignee of a preemptive option right shall subscribe and pay for the shares to which he is entitled pursuant to the assignment within the same term which the respective option right assignor had. Should the assignee not exercise his right within the above mentioned term, it shall be understood to have been waived.

The current capital increase must be paid within the period expiring on March 15, 1997.

The Board of Directors is fully empowered to adopt all the resolutions necessary to carry out this capital increase.

B) Formation of Share Series A and B: Once the timeframe for subscribing and paying the issuance of shares referred to under letter "A" above has expired, the formation of Series A and B shares shall take place wherefore the number of company shares shall be increased from 395,595,788 shares to 791,191,576 shares, via an exchange of shareholders' stock certificates with new Series A and B certificates. Each shareholder is entitled to receive one Series A share and one Series B share for each share held on the day set by the Board for the exchange. The Board of Directors has to determine the exchange date as one day within the 90 days from the date on which the term for subscribing and paying the issuance of shares referred to under letter "A" of this transitory article has expired. As of the exchange date, the stock certificates which had been issued by the company to that time shall become void and null.

The Board of Directors is fully empowered to adopt all the resolutions necessary to execute and carry out the increase in the number of shares and the exchange described in this paragraph.

Upon completion of the operations described in this letter, the company's paid-in capital shall be divided into 395,595,788 Series A shares and 395,595,788 Series B shares, both series being Preferred.

The exchange operation described under this letter "B" must be completed, in all cases, within ten months from the date of the Meeting mentioned at the beginning of this transitory article.

TRANSITORY ARTICLE THREE: The special exchange of Embotelladora Andina S.A. Series A shares for Series B shares, approved by said company's Special General Shareholders´ Meeting held on September 30, 1996, shall be implemented and carried out as follows:

Within a period of three years beginning on August 1, 1997, the company´s Board shall approve and shall offer to the Series A shareholders special exchanges in up to four exchange periods, all to be carried out within the aforementioned three-year period, so that they may exchange said Series A shares for Series B shares, according to the following terms and conditions:

a) Series A shareholders shall be entitled to implement these exchanges at any time during the corresponding special exchange periods, which shall each last for 60 consecutive working days.

b) The shareholders shall have the right to exchange with the company each Series A share registered under their name in the Shareholders´ Registry for one Series B share.

c) The special exchanges referred to in this transitory provision shall be voluntary and the shareholders may exchange all or some of the Series A shares they hold, at their discretion, and are obliged to express their intent to carry out the desired exchange in writing to the company.

d) During the special exchange periods mentioned under letter "a" above, the company shall have to report every first business day of every week during each period the results of the exchange operations as of the date of the weekly report to the Superintendence of Securities and Insurance and the Stock Exchanges. Within the week following the week in which each special exchange operation is completed, the company shall also report the final results of the same to the Superintendence of Securities and Insurance and Stock Exchanges.

e) The stock certificates of the Series A shares which are exchanged for Series B shares pursuant to the procedures set forth in this transitory provision shall be rendered void as of the date of their exchange.

f) The Board of Directors is fully empowered to adopt all the resolutions necessary to implement and carry out the special share exchanges referred to in this transitory provision.

DOC 3 Header

Exhibit 1.2

Bottler's Agreement

THIS AGREEMENT, effective , is made by and between THE COCA-COLA COMPANY, a corporation incorporated and existing according to the laws of the State of Delaware, United States of America, with principal offices at One Coca-Cola Plaza, N.W., city of Atlanta, State of Georgia 30313, United States of America (hereinafter the "Company"); and , a company incorporated and existing according to the laws of , with principal offices at (hereinafter the "Bottler").

WITNESSETH:

WHEREAS,

A. The Company engages in the manufacture and sale of beverage bases, essences and other ingredients for the preparation of beverages and of a beverage concentrate base (hereinafter the "Concentrate") the formula for which is an industrial secret of the Company, based on which a syrup or powder is elaborated to prepare non-alcoholic beverages (hereinafter the "Syrup"); and the Company also engages in the manufacture and sale of the Syrup, which is used in the elaboration of non-alcoholic beverages (hereinafter the "Beverage") for sale in bottles and other containers and in other forms and ways;

B. The Company is the owner of the trademarks, including "Coca-Cola" and "Coke," that distinguish the Concentrate, the Syrup and the Beverages, the Distinctive Bottle in different sizes in which the Beverage has been marketed for many years, the depiction of the Distinctive Bottle, the Dynamic Ribbon and the intellectual property contained in the distinctive trade dress, other designs and packing elements associated with the Concentrate, the Syrup and the Beverage ("Coca-Cola," "Coke," the Distinctive Bottle, the depiction of the Distinctive Bottle, the Dynamic Ribbon, the intellectual property contained in the distinctive trade dress, the design and packing elements related to the Concentrate, the Syrup and the Beverage and any additional trademarks that the Company may adopt from time to time in order to distinguish the Concentrate, the Syrup and the Beverage shall be hereinafter called the "Trademarks");

C. The Company has the exclusive right to prepare, package, pack, distribute and sell the Beverage and the right to manufacture and sell the Concentrate and the Syrup in , among other countries;

D. The Company has designed and authorized certain third parties to supply the Concentrate to the Bottler (hereinafter the "Authorized Suppliers");

E. The Bottler has requested the Company's authorization to use the Trademarks in relation to the preparation, packaging, packing, distribution and sale of the Beverage inside the territory that is defined and described in this Agreement;

F. The Company is willing to grant the requested authorization to the Bottler according to the terms and conditions set down herein.

THEREFORE, the aforesaid parties agree to the following:

I. OBJECT OF THE AGREEMENT

1. The Company hereby authorizes the Bottler, and the Bottler undertakes, in the following terms and conditions, to prepare and package the Beverage in the containers approved from to time by the Company in writing (hereinafter the "Approved Containers") and to distribute and sell the Beverage under the Trademarks inside, but only inside, the following territory (hereinafter the "Territory"):

[INSERT DESCRIPTION OF TERRITORY]

2. The Company or the Authorized Suppliers will sell and deliver the quantities of Concentrate to, and as requested from time to time by, the Bottler, provided the Bottler orders, and the Company or Authorized Suppliers sell and deliver to the Bottler, only the quantities of Concentrate necessary and sufficient to comply with the object of this Agreement. The Bottler agrees and accepts that it will buy the Concentrate solely from the Company or from the Authorized Suppliers.

3. The Bottler will use the Concentrate exclusively to elaborate the Syrup and to prepare and package the Beverage as determined by the Company from time to time. The Bottler promises not to sell or resell the Concentrate or the Syrup nor allow it to end up in possession of third parties without prior written consent of the Company.

4. The Company reserves the sole and exclusive right to determine the formula, composition or ingredients of the Concentrate, the Syrup and the Beverage at any time.

5. Save as expressly stipulated in this Agreement, the Company will refrain from selling or distributing or ordering the sale or distribution of the Beverage inside the Territory in the Approved Containers during the term of this Agreement. However, the Company reserves the right to prepare and package the Beverage in any container in the Territory for sale outside thereof and to prepare, package, distribute or sell or authorize third parties to prepare, package, distribute or sell the Beverage in the Territory in any other container other than an Approved Container.

II. OBLIGATIONS OF THE BOTTLER RELATIVE TO MARKETING, PLANNING AND REPORTING

6. The Bottler covenants and undertakes the Company that it shall:

(a) make every effort and use all approved means possible to promote, develop and exploit the entire potential of the preparation, packaging, distribution, marketing and sale of the Beverage throughout the Territory and create, stimulate and continuously expand the future demand for the Beverage and satisfy in full all aspects of present demand for the Beverage;

(b) prepare, package, distribute and sell the quantities of Beverage satisfying all aspects of total demand for the Beverage in the Territory; however, the Bottler may, under prior written consent of the Company, purchase the Beverage in the Approved Containers from third parties designated in writing by the Company for resale in the Territory;

(c) invest all capital and obtain and use all funding necessary for the organization, installation, operation, maintenance and replacement inside the Territory of the facilities and equipment for the manufacture, storage, marketing, distribution, delivery, carriage and other activities necessary to fulfill the Bottler’s obligations under this Agreement;

(d) have a competent and well-trained administration and hire, train, maintain and direct all employees necessary and sufficient in all aspects to comply with all of the Bottler’s obligations under this Agreement;

(e) deliver to the Company, once per calendar year, a written schedule or plan acceptable in form and substance and according to the Bottler’s obligations hereunder that sets out in detail the activities forecast by the Bottler for the next 12-month period or any other period stipulated by the Company; diligently implement such schedule or plan and report on the progress in the schedule in writing to the Company in a format acceptable to, and at the request of, the Company;

(f) deliver precise, updated information to the Company on the production, distribution and sales of the Beverage with the frequency, in the detail and format requested by the Company; and

(g) keep precise books, accounts and records and provide financial, accounting and any other type of information to the Company that it requests in order to confirm that the Bottler continues to have a consolidated financial capacity reasonably necessary to fulfill its obligations under this Agreement, in recognition of the interest of the Company in maintaining, promoting and

protecting the overall performance, efficiency and integrity of the bottling, distribution and sales system.

7. The Bottler must, for its own account, budget and spend the funding on advertising, marketing and promotion of the Beverage reasonably required by the Company to create, stimulate and maintain demand for the Beverage in the Territory, provided that the Bottler shall submit all advertising, commercial and promotional projects relative to the Trademarks or the Beverage to prior approval of the Company and shall only use, publish, maintain or distribute the advertising, commercial or promotional material relative to the Trademarks or the Beverage as approved and authorized by the Company. The Company may agree from time to time to make financial contributions to the Bottler's marketing programs, subject to the terms and conditions stipulated in each case. The Company may also carry out any further advertising or sales promotion activities in the Territory that it considers useful or appropriate, at its own cost and independently from the Bottler.

8. (a) The Bottler recognizes that the Company has made or may make agreements similar to this Agreement with third parties outside of the Territory and it accepts the limitations that such agreements may reasonably impose upon the Bottler in the management of its business according to this agreement. The Bottler also agrees to conduct its business so as to avoid any conflict with such third parties and to make all reasonable efforts to overcome amicably any disputes that may arise therewith.

(b) The Bottler shall not oppose the additional measures that the Company considers necessary and warranted to protect and improve the Beverage sales and distribution system, including, but not limited to, measures that might be adopted regarding supply to important and/or special customers whose activities transcend the boundaries of the Territory, even if such measures come to limit the rights of the Bottler according to this Agreement.

9. In recognition of the important benefit, both to itself and to all other parties mentioned in Section 8(a) above, that the distribution and other types of equipment and materials used according to this Agreement have a uniform external appearance, the Bottler agrees to accept and apply the standards adopted and issued from time to time by the Company for the design and decoration of the trucks and other distribution vehicles, cases, cartons, refrigerators, vending machines and other materials and equipment used in the distribution and sale of the Beverage.

10. The Bottler recognizes and agrees that the broadest distribution and direct sale of the Beverage to retail outlets and end consumers in the Territory is an essential element to satisfy demand for the Beverage in full according to this Agreement. Notwithstanding the recognized advantages of direct distribution, the Bottler will be authorized to distribute and sell the Beverage to wholesalers in the Territory who sell solely to retail outlets in the Territory. Any other method of distribution shall be subject to prior written authorization of the Company.

11. (a) The Bottler shall prevent the Beverage from being sold or distributed in any way outside of the Territory.

(b) In the event that the Beverage that is prepared, packaged, distributed or sold by the Bottler is found in the territory of another bottler or authorized distributor (hereinafter the "Injured Bottler"), then, in addition to all other remedies available:

(1) the Company may, at its sole discretion, immediately cancel the authorization of the types of containers found in the territory of the Injured Bottler;

(2) the Company may collect a sum for compensation from the Bottler for the Beverage found in the Injured Bottler's territory that will cover all loss of profit, expenses and other costs assumed by the Company and by the Injured Bottler;

(3) the Company may purchase the Beverage elaborated, packaged, distributed or sold by the Bottler that is in the Injured Bottler's territory and the Bottler shall, in addition to any other obligation that it may have according to this Agreement, reimburse the Company for the costs incurred thereby in the purchase, carriage and/or destruction of such Beverage.

(c) In the event that the Beverage that is elaborated, packaged, distributed or sold by the Bottler is found in the territory of an Injured Bottler, the Bottler shall make all sales contracts and other records related to the Beverage available to the Company's representatives and aid the Company in all investigations relative to the sale and distribution of the Beverage outside the Territory.

(d) The Bottler shall give the Company prompt notice of any request or offer to purchase the Beverage that is made thereto by a third party when the Bottler knows or has reason to believe or suspect that such request or offer would result in the Beverage being marketed, sold, resold, distributed or redistributed outside the Territory in a breach of this Agreement.

III. OBLIGATIONS OF THE BOTTLER RELATIVE TO THE TRADEMARKS

12. The Bottler will recognize at all times and not question the validity and ownership of the Company's Trademarks.

13. Nothing stipulated herein shall grant the Bottler any interest in the Trademarks or in the goodwill attaching thereto or in any label, design, container or other visual representations thereof or that are used in relation thereto; and the Bottler acknowledges and agrees that all rights and interests created by said use of the Trademarks, labels, designs, containers or other visual representations shall inure to the benefit of, and belong to, the Company. The Company and the Bottler agree and understand that the Bottler is merely granted a simple temporary permit under this Agreement that is not accompanied by any right or interest and without payment of any fee or royalty to use such Trademarks, labels, designs, containers or other visual representations thereof in relation to the preparation, packaging, distribution and sale of the Beverage in the Approved Containers. Said use shall be made in a way and with the result that all goodwill relative thereto is conferred upon the Company as the source and origin of such Beverage, and the Company shall have the absolute right to determine in all cases the type of appearance and other measures necessary or recommendable to guarantee compliance with this Section 13.

14. The Bottler shall not without prior written consent of the Company, adopt or use any name, corporate name, trade name, title of establishment or other commercial designation that includes the words "Coca-Cola," "Coca," "Cola," "Coke," or any thereof or any name whose similarity to any thereof may be misleading, nor any graphic or visual representation of the Trademarks or any other registered mark or intellectual property of the Company.

15. The Bottler agrees and accepts during the term of this Agreement, according to governing laws, that it shall not:

(a) manufacture, prepare, package, distribute, sell, negotiate or be otherwise connected to any product associated with any trade dress or container that imitates a trade dress or container to which the

Company claims an exclusive interest or that can be passed of as or confuse or be perceived by consumers to be so similar to that trade dress or that container that it is confusing;

(b) manufacture, prepare, package, distribute, sell, negotiate or be otherwise connected to any product associated with any mark or other designation that imitates or infringes any of the Trademarks or can be passed off as any product that leads the public to believe that it is elaborated by the Company due to the Bottler's association with the manufacture, preparation, packaging, distribution and sale of the Beverage. Without limiting the foregoing in any way, it is understood and expressly stipulated that the use of the word "Coca" or other equivalent in the local or phonetic language in any form, or of any other graphically or phonetically similar word or a word that imitates it on any product other than a Company product will be considered a violation of the registered trademark "Coca-Cola" or as an attempt to cause confusion;

(c) manufacture, prepare, package, distribute, sell, negotiate or otherwise be connected to non-alcoholic beverages other than those prepared, packaged, distributed or sold by the Bottler under the Company's authorization, save under prior written consent of the Company;

(d) use distribution vehicles, cartons, cases, coolers, vending machines or other equipment bearing the Trademarks to distribute and sell any other products but those identified by the Trademarks unless it has prior written authorization of the Company;

(e) manufacture, elaborate, package, distribute, sell, negotiate or otherwise be connected to any other concentrate, beverage base, syrup or beverage that may be confused with or can be passed off for the Concentrate, the Syrup or the Beverage;

(f) manufacture, prepare, package, distribute, sell, negotiate or be otherwise connected to (i) any beverage that is marketed under the name "cola" (either alone or in conjunction with any other word or words) or any phonetic interpretation of such word or (ii) any beverage marketed under the name "cola" or that otherwise imitates the Concentrate, the Syrup or the Beverage or that may substitute them during the term of this Agreement and, in recognition of the valuable rights conferred by the Company upon the Bottler herein, during an additional period of two years after that date; and

(g) acquire or hold, either directly or indirectly, any interest in the ownership of, nor enter into any contract or arrangement regarding the management or control of, any individual or company in or outside of the Territory that engages in any of the activities forbidden in this Section 15.

The covenants contained herein apply not only to the activities in which the Bottler engages directly, but also to activities in which the Bottler may have an indirect interest through ownership, control, administration, association, agreement or otherwise, and whether it engages in them in or outside of the Territory.

16. The parties understand and agree that if:

(a) a third party who has, in the Company's opinion, a direct or indirect interest through ownership, control, administration or otherwise in the manufacture, preparation, packaging, distribution or sale of any product specified in Section 15 hereof, acquires or obtains control or comes to have any direct or indirect influence on the Bottler's management; or

(b) any person, firm or company that has a majority interest in, or direct or indirect control of, the Bottler or is controlled directly or indirectly by the Bottler or by any third party who has control or, in the Company's opinion, any direct or indirect influence over the Bottler's management, is involved in the preparation, packaging, distribution or sale of any of the products specified in Section 15 hereof,

then the Company will have the right to terminate this Agreement immediately without any compensation for damages and injuries unless the third party making the acquisition indicated in letter (a) hereof or the person, firm or company mentioned in letter (b) hereof agrees, after being given written notice by the Company of its intent to terminate this Agreement, to stop and does effectively stop preparing, elaborating, packaging, distributing or selling such product(s) in a reasonable period of time, which may not exceed six (6) months after the date of notice.

17. (a) Should the Company require, for the purposes stated herein, according to laws governing the registration and grant of intellectual property license, that the Bottler be registered as a registered user or franchisee of the Trademarks, then Bottler shall, at the Company's request, execute any and all agreements and all documents necessary to register, amend or cancel the requested registration or recordation.

(b) Should the competent government authority refuse any request by the Company or the Bottler for registration or recordation as a registered user or franchisee of any of the Trademarks with respect to the Beverage, then the Company shall have the right to terminate this Agreement immediately.

IV. OBLIGATIONS OF THE BOTTLER RELATIVE TO THE PREPARATION AND PACKAGING OF THE BEVERAGE

18. (a) The Bottler accepts and agrees that it will only use the Concentrate in the elaboration of the Syrup and the Syrup only in the elaboration and packaging of the Beverage, in strict adherence to and compliance with the written instructions delivered to the Bottler from time to time by the Company. The Bottler further accepts and agrees that it shall prepare, package and distribute the Beverage in compliance at all times with the standards, including the standards on quality, hygiene, the environment and others stipulated from time to time by the Company in writing, and with all applicable requirements of the law.

(b) Recognizing the importance of being able to identify the manufacturer of the Beverage on the market, the Bottler agrees to use identification codes on all Beverage packaging materials, including the Approved Containers and the non-returnable cases. The Bottler also agrees that it will install, maintain and use the machinery and equipment necessary to apply such identification codes. The Company shall deliver written instructions to the Bottler from time to time as necessary in relation to the form of the identification codes to be used by the Bottler and the production and sales records that it must keep.

(c) Should the Company determine or learn of the existence of any quality or technical problem relative to the Beverage or the Approved Containers of the Beverage, it may require that the Bottler adopt all measures necessary to immediately recall the Beverage from the market or trade, as the case may be. The Company shall notify the Bottler by telephone, fax, e-mail or by any other prompt means of communication, with written acknowledgement of receipt, of its decision to require that the Bottler recall such Beverage from the market or the trade and Bottler shall, upon receipt of such notice, immediately cease the distribution of such Beverage and adopt all other measures that the Company considers necessary to recall said Beverage from the market or trade.

(d) Should Bottler determine or learn of any quality or technical problems relative to the Beverage or to the Approved Containers of the Beverage, it shall give prompt notice to the Company by telephone, fax, e-mail or any other means of prompt communication, with written acknowledgement of receipt. This notice shall include: (1) the identity and quantities of Beverage in question, including the specific Approved Containers; (2) the coding data; and (3) all other corresponding data that aid in localizing said Beverage.

The Bottler shall allow the Company, its executives, agents and personnel designated thereby entrance at all times to inspect the facilities, equipment and methods used by the Bottler, directly or indirectly, in or for the preparation, packaging, storage or handling of the Beverage in order to determine whether the Bottler is in compliance with the terms of this Agreement, including, but not limited to, Sections 18 and 22. The Bottler further agrees to provide all information on compliance by the Bottler with the terms of this Agreement to the Company as it may request from time to time, including, but not limited to, the stipulations in Sections 18 and 22.

19. The Bottler shall deliver, at its expense, samples of the Syrup, the Beverage and the materials used in the elaboration of the Syrup and the Beverage to the Company in accordance with the instructions provided thereto by the Company from time to time.

20. (a) The Bottler shall only use the Approved Containers and the lids, cases, labels and other packaging materials in the packaging, distribution and sale of the Beverage that are approved from time to time by the Company, and the Bottler shall purchase such items solely from suppliers authorized in writing by the Company to manufacture the items that will be used in relation to the Trademarks and the Beverage. The Company shall make its best efforts to approve two or more suppliers of such items, in the understanding that said authorized suppliers may be located in or outside of the Territory.

(b) The Bottler shall inspect the Approved Containers and the lids, cases, labels and other packaging materials that will be used in relation to the Beverage and shall only use such items that the Bottler has determined comply both with the standards of the laws governing in the Territory and the standards and specifications prescribed by the Company. The Bottler shall assume full liability for use of such Approved Containers, lids, cases, labels and other packaging materials that it has determined comply with the aforesaid standards.

(c) The Bottler shall maintain at all times sufficient inventories of Approved Containers, lids, cases, labels and other packaging materials to satisfy in full the demand for the Beverage in the Territory.

21. (a) The Bottler recognizes that increases in demand for the Beverage as well as changes in the Approved Containers may require periodic modifications or other changes in its actual manufacturing, packaging, delivery or distribution equipment or require the purchase of additional manufacturing, packaging, delivery or distribution equipment. The Bottler agrees to make the changes to the equipment and purchase and install the additional equipment that is necessary sufficiently in advance to allow new Approved Containers to be introduced and the Beverage to be elaborated and packaged according to the permanent obligations of the Bottler to develop, stimulate and satisfy in full the demand for Beverage in the Territory.

(b) In the event that returnable Approved Containers are used in the preparation, packaging, distribution and sale of the Beverage, the Bottler agrees to invest from time to time the capital necessary and allocate and use the funding necessary to create and maintain sufficient inventories of returnable Approved Containers. In order to ensure the permanent quality and appearance of the inventories of returnable Approved Containers, the Bottler further agrees to replace all or part of the inventories of such Approved Containers as is reasonably necessary according to the obligations assumed by the Bottler herein.

(c) The Bottler shall not use or allow the use of the Approved Containers, lids, cases, labels and other packaging materials mentioned herein for any purpose other than in relation to the Beverage and shall not otherwise refill or reuse the non-returnable Approved Containers that have been previously used.

22. (a) The Bottler will be the only one responsible for fulfillment of the obligations contained in this Agreement in accordance with all laws, regulations and statutes enacted by the government or local authorities and applicable in the Territory and it shall promptly inform the Company of any provision that impedes or limits in any way strict compliance by the Bottler with its obligations contained herein.

(b) Notwithstanding the foregoing, the Bottler covenants and agrees to comply at all times with (i) all environmental, health and safety laws and regulations and other legal requirements established by the government authorities that are applicable in the Territory and (ii) the environmental standards or programs issued in writing by the Company from time to time.

V. PURCHASE AND SALE CONDITIONS

23. (a) The Company reserves the right, by written notice to the Bottler, to set and revise from time to time, on any date, at its sole discretion, the price of the concentrate, the Authorized Suppliers, the

point of supply and the alternative points of supply of the Concentrate, the conditions of shipment and payment and the currency or currencies acceptable to the Company or the Authorized Suppliers.

(b) If the Bottler is unwilling to pay the revised price of the Concentrate, it shall give written notice to the Company within thirty (30) days after receipt of written notice from the Company. In that case, this Agreement shall terminate automatically three (3) calendar months after the Bottler has received notice, with no liability of the parties for damages and injuries.

(c) If the Bottler does not give the Company notice regarding the revision of the price of the Concentrate according to letter (b) above, such revision shall be deemed accepted.

(d) The Company reserves the right to set and revise the maximum prices at which the Bottler may sell the Beverage in the Approved Containers to wholesalers and retailers and the maximum retail prices of the Beverage. It is therefore recognized that the Bottler may sell the Beverage to wholesalers and retailers and authorize the retail sale of the Beverage at prices below the maximum prices. However, the Bottler may not increase the maximum prices set or revised by the Company at which it may sell the Beverage in the Approved Containers to wholesalers or retailers nor authorize an increase in the maximum retail prices of the Beverage without prior written authorization of the Company.

(e) The Bottler undertakes to collect deposits from wholesalers and retailers, as applicable, per returnable Approved Container and each returnable case delivered thereto that are set from time to time by the Company by written notice to the Bottler and to make all reasonably diligent efforts to recover all empty returnable Approved Containers and the cases and at the time they are recovered, to reimburse or credit the deposits for such returnable Approved Containers and cases that have been returned undamaged and in good condition.

VI. DURATION AND TERMINATION OF THE AGREEMENT

24. (a) This Agreement shall expire, without notice, on unless it is terminated early pursuant to this document. The parties recognize and agree that the Bottler shall have no right to claim a tacit renewal of this Agreement.

(b) If the Bottler has complied in full with all terms, covenants, conditions and stipulations in, and during the term of, this Agreement and is capable of promoting, developing and exploiting permanently the entire potential of the business of preparing, packaging, distributing and selling the Beverage, the Bottler may request an extension of this Agreement for an additional period of ( ) years. The Bottler shall request such extension in writing from the Company at least six (6) months, but no more than twelve (12) months, prior to the expiration date of this Agreement. That request for extension by the Bottler shall be supported by the documentation requested by the Company, including the documentation relative to compliance by the Bottler with the performance obligations contained herein that support the Bottler's permanent capacity to develop, stimulate and satisfy in full the demand for the Beverage inside the Territory. If the Bottler has, at the Company's sole discretion, fulfilled the conditions necessary for extension of this Agreement, then this latter may, by written notice, agree to the extension of this Agreement for said additional period or such shorter period that is determined by the Company.

(c) After any additional period has elapsed, this Agreement shall definitively expire with no need for notice and the Bottler shall have no right to claim any tacit renewal thereof.

25. (a) Either the Company or the Bottler may terminate this Agreement immediately, without any liability for damages and injuries, by written notice by the party entitled to terminate it to the other party:

(1) if the Company, the Authorized Suppliers or the Bottler cannot legally obtain foreign currency to remit payment to abroad for the imports of Concentrate or of the ingredients or materials necessary for the manufacture of the Concentrate, the Syrup or the Beverage; or

(2) if any party hereto disobeys the laws or regulations applicable in the Territory and, accordingly, or as a result of any other laws affecting this Agreement, any of the fundamental stipulations in this Agreement cannot be legally fulfilled or the Syrup cannot be elaborated or the Beverage cannot be prepared or sold according to the Company's instructions pursuant to Section 18 or the Concentrate cannot be manufactured or sold according to the Company's formulas or the standards set by the Company.

(b) The Company may terminate this Agreement immediately, without any liability for damages and injuries:

(1) if the Bottler becomes insolvent or a bankruptcy petition is filed by or against the Bottler and is not stayed or dismissed within one hundred and twenty (120) days thereafter, or if the Bottler adopts a liquidation agreement or an order of liquidation or of judicial receivership is issued against the Bottler or a receiver is appointed to administrate the Bottler's businesses or the Bottler makes any judicial or voluntary arrangeent with its creditors or reaches similar agreements therewith or makes an assignment to the benefit of its creditors; or

(2) in the event of a dissolution, nationalization or expropriation of the Bottler or a confiscation of the production or distribution assets of the Bottler.

26. (a) Either the Company or the Bottler may also terminate this Agreement, without any liability for damages and injuries, if the other party does not comply with one or several of the terms, covenants or conditions of this Agreement and does not cure such default within sixty (60) days after the date when said party has received written notice of such default.

(b) In addition to all other remedies to which the Company may be entitled according to this Agreement, if the Bottler at any time fails to follow the instructions or does not abide by the standards prescribed by the Company or required by laws governing in the Territory in relation to the elaboration and packaging of the Syrup or the Beverage, the Company shall have the right to forbid the production of the Syrup or the Beverage until the default is cured to its satisfaction and it may also request suspension of the distribution and delivery of the Beverage and order the recall of the Beverage that is not in compliance with, or is not manufactured according to, such instructions, standards or requirements, at the Bottler's expense, and Bottler undertakes to comply opportunely with such ban or request. As long as the production ban persists, the Company shall have the right to suspend deliveries of Concentrate to the Bottler and to supply the Beverage directly or to reach agreements for third parties to supply it in the Territory. No ban or request shall be deemed a waiver of the Company's rights to terminate this Agreement according to this Section 26.

27. After expiration or early termination of this Agreement:

(a) the Bottler may no longer elaborate, package, distribute or sell the Beverage or use the Trademarks, Approved Containers, lids, cases, labels or other packaging material or advertising, marketing or promotional material that has been used or is allocated for use by the Bottler solely in relation to the preparation, packaging, distribution and sale of the Beverage;

(b) the Bottler shall immediately eliminate all references to the Company, the Beverage and the Trademarks from its facilities, distribution vehicles, vending machines, coolers and other equipment and from all stationery and written, graphic, electromagnetic, digital or other material that is uses or keeps for advertising, marketing or promotion; and as of that moment, it shall not claim any relationship with the Company, the Beverage or the Trademarks;

(c) the Bottler shall promptly deliver to the Company or to a third party designated thereby all Concentrate, Beverage in Approved Containers, usable Approved Containers bearing the Trademarks or any thereof, the lids, cases, labels and other packaging materials bearing the Trademarks as well as all advertising material on the Beverages that are still in its possession or under its control, and the Company shall, upon delivery thereof according to such instructions, pay the Bottler a sum equal to the reasonable market value of such inputs or materials, provided that it

shall only accept and pay for such inputs or materials that are in excellent and usable condition; and further provided that all Approved Containers, lids, cases, labels and other packaging materials and advertising materials bearing the corporate name of the Bottler and any inputs and materials not in usable condition according to the Company's standards must be destroyed by the Bottler at its own cost; and further provided that if this Agreement is terminated according to the provisions in Sections 16, 23(b), 25(a), 26 or 28 or as a result of any of the contingencies stipulated in Section 31 (including the case of termination by operation of the law), or if the Bottler terminates this Agreement for any reason other than those stipulated in Sections 23(b) or 26, the Company shall have the option, but not the obligation, of purchasing such inputs and materials from the Bottler; and

(d) all rights and obligations according to this Agreement shall expire, cease and terminate, whether they are stipulated specifically or arise from the use, custom, practices or any other circumstance, except for the provisions relative to the Bottler's obligations established in Sections 11(b)(2) and (b)(3) and 12, 13, 14, 15 (f), 17(a), 27, 32, 33, 34(a), 34(c) and 34(d), all of which shall continue in full force and effect, provided this provision never affects any right that the Company might have in respect of the Bottler regarding any claim for non-payment of any debt or account payable by the Bottler to the Company or to its Authorized Suppliers.

VII. OWNERSHIP AND CONTROL OF THE BOTTLER

28. The parties hereto acknowledge and agree that the Company has a legitimate interest in maintaining, promoting and protecting the overall performance, efficiency and integrity of the international bottling, distribution and sales system. The parties hereto further acknowledge that the Company made this Agreement on a strictly personal basis and in reliance on the identity, characteristics and integrity of the owners, of the controllers and of the managers of the Bottler and the Bottler states that it has fully informed the Company, prior to the execution hereof, of the owners and any third parties who have any right or power of control or administration of the Bottler. Therefore, the parties agree that notwithstanding the provisions in Section 16 or any other provision in this Section 28, in the event of any change for any reason in the individuals or companies holding ownership or direct or indirect control of the Bottler, including any change in the shareholdings thereof, the Company may, at its entire discretion, terminate this Agreement immediately without any liability for damages and injuries. Therefore, the Bottler covenants and agrees that it shall:

(a) not assign, transfer, pledge or encumber this Agreement or any interest or rights contained herein in any way, in whole or in part, in favor of any third party or third parties without prior written authorization of the Company;

(b) not delegate compliance of all or part of this Agreement to any third party or third parties without prior written authorization of the Company;

(c) promptly notify the Company when it learns of any third-party action that may result or results in any change in the ownership or control of the Bottler;

(d) make available to, or upon request of, the Company from time to time complete records on the actual owners of the Bottler and full information on any third party or third parties that control it directly or indirectly;

(e) to the extent that the Bottler has legal control of any change in the ownership or control thereof, not to begin or put into operation or accept any change without prior written authorization of the Company; and

(f) if the Bottler has been incorporated as a partnership, not to change the composition of such partnership to include new partners or release the current partners without prior written authorization of the Company.

In addition to the above provisions in this Section 28, if a proposed change in the ownership or control of the Bottler entails a direct or indirect transfer to, or the acquisition of the ownership or control of the Bottler in whole or in part by, an individual or company authorized by the Company to manufacture, sell, distribute or otherwise trade beverages and/or any registered trademarks of the Company (the "Acquiring Bottler"),

the Company may request any information that it deems relevant in regard to the Bottler and the Acquiring Bottler to determine whether or not it will authorize such change. In any of such circumstances, in acknowledgment of the legitimate interest of the Company in maintaining, promoting and protecting the overall performance, efficiency and integrity of the international bottling, distribution and sales system, the parties expressly agree that the Company may consider all factors and apply the criteria that it deems relevant in giving or refusing its authorization.

The parties also acknowledge and agree that the Company may, at its entire discretion, refuse to accept any proposed change in the ownership or other situation stipulated in this Section 28 or may accept it subject to the conditions determined thereby, also at its entire discretion. The parties further stipulate and expressly agree that any violation by the Bottler of the covenants contained in this Section 28 shall authorize the Company to terminate this Agreement immediately, with no liability for damages and injuries; and moreover, in view of the personal nature of this Agreement, the Company will be empowered to terminate it without any liability for damages and injuries should any third party or third parties obtain any direct or indirect interest in the ownership or control of the Bottler, including when the Bottler does not have the means to prevent such change if, in the Company's judgment, the Bottler has allowed that third party or third parties to exercise any influence over the management of the Bottler or materially alter the Bottler's capacity to comply fully with the terms, obligations and conditions of this Agreement.

29. The Bottler shall, before the issuance, offer, sale, transfer, negotiation or exchange of any of its shares or other titles of ownership, bonds, obligations or other proof of debt or before promoting the sale of the foregoing or encouraging or seeking the purchase or an offer for sale thereof, shall obtain the Company's written authorization when it uses the corporate name thereof or the Trademarks or any description of its relationship thereto for such purpose in any prospectus, advertising or other sales effort. The Bottler may not use the corporate name of the Company or the Trademarks or any description of its commercial relationship thereto in any prospectus or advertising that it uses in relation to the acquisition of any share or other certificate of ownership of a third party without prior written authorization of the Company.

VIII. GENERAL

30. The Company may assign any of its rights and delegate all or any part of its duties or obligations according to this Agreement to one or more of its subsidiaries or affiliates provided, however, that such delegation will not release it from its contractual obligations assumed herein. It may also, at its entire discretion, by written notice to the Bottler, name a third party as its representative to ensure that the Bottler fulfills its obligations under this Agreement, with full authority to supervise its performance and demand that it fulfill all terms and conditions of this Agreement.

31. Neither the Company nor the Bottler shall be liable for any default on their respective obligations under this Agreement when such default is due to, or is the result of:

(a) a strike, boycott or any sanction imposed by a sovereign nation or a supranational organization of sovereign nations, howsoever they are assumed; or

(b) a fortuitous act, force majeure, an act of public enemies, operation of the law and/or legislative or administrative measures (including the revocation of any government authorization required by any of the parties to comply with the terms of this Agreement), an embargo, quarantine, revolt, insurrection, war, whether declared or undeclared, a state of war or of belligerence or risks or dangers inherent to the foregoing, or

(c) any other cause beyond their respective control.

If the Bottler is unable to comply with its obligations because of any of the contingencies set down in this Section 31, the Company and the Authorized Suppliers shall be, as long as the situation persists, released from their obligations contained in Sections 2 and 5 provided that, if the default of any thereof persists for more than six (6) months, any of the parties may terminate this Agreement without any liability for damages and injuries.

32. (a) The Company reserves the sole and exclusive right to begin any civil, administrative or criminal lawsuit or action and, in general, to make use of any legal recourse available that the Company deems appropriate to protect its reputation, the Trademarks and other intellectual property rights

and to protect the Concentrate, the Syrup and the Beverage and to defend any action concerning any of the foregoing. Upon request by the Company, the Bottler shall provide its aid in any of such actions. The Bottler may not make any claim against the Company that is due to such lawsuits or actions or to any omission in beginning or defending such lawsuits or actions. The Bottler shall give the Company timely notice of any litigation or process already filed or imminent that may involve these matters. The Bottler shall not begin any judicial or administrative proceedings against any third party that might affect the interests of the Company unless it has prior written consent thereof.

(b) Only the Company has the exclusive right and responsibility of filing and defending all lawsuits and actions relative to the Trademarks. The Company may file or defend such proceedings or actions in its own name or request that the Bottler begin or defend such proceedings or actions either in its own name or together therewith.

33. (a) The Bottler agrees to consult with the Company regarding all claims, proceedings or actions for product liability filed against the Bottler in relation to the Beverage or the Approved Containers and to adopt the measures relative to the defense of such claims or lawsuits that the Company reasonably requests to protect its interests regarding the Beverage, the Approved Containers or the goodwill attached to the Trademarks.

(b) The Bottler shall indemnify and hold the Company, its subsidiaries and the respective executives, directors and employees thereof harmless from and in regard to all costs, expenses, damages, claims, obligations and liabilities derived from factors or circumstances not attributable to the Company including, but not limited to, all costs and expenses assumed to resolve the same or reach a settlement, derived from the preparation, packaging, distribution, sale or promotion of the Beverage by the Bottler, including, but not limited to, all costs derived from acts or defaults, whether or not negligent, of the Bottler and of the Bottler’s distributors, suppliers and wholesalers.

(c) The Bottler shall contract and carry an insurance policy with insurers acceptable to the Company that grants ample global coverage of the amounts and risks regarding the matters mentioned in letter (b) above (including the indemnity contained therein) and shall, upon request by the Company, demonstrate to its satisfaction that such insurance exists. Compliance with this Section 33(c) will not limit or release the Bottler from its obligations assumed according to Section 33 (b) hereof.

34. The Bottler covenants and agrees:

(a) not to make declarations or deliver information to public or government authorities or to any third party relative to the Concentrate, the Syrup or the Beverage without prior written authorization of the Company;

(b) if the Bottler’s shares are listed or traded on a stock exchange, to deliver any financial or other type of information relative to the results or forecasts of the Bottler to the Company at the same time that it is obligated to deliver such information according to the regulations of the stock exchange or the securities or companies laws applicable to the Bottler;

(c) at all times during the term and after the termination of this Agreement, to keep a strict secrecy regarding all secret and confidential information, including, without limiting the generality of the foregoing, the mixing instructions and techniques, the information on sales, marketing and distribution, the projects and plans relative to the object of this Agreement received by the Bottler from the Company or obtained thereby in any other way, and to ensure that such information is only disclosed to the executives, directors and employees that are bound by reasonable provisions that include the non-disclosure obligations established in this Section; and

(d) upon expiration or early termination of this Agreement, to deliver promptly to the Company or its designate all electromagnetic, computer, digital or other types of materials, whether written or graphic, that include or contain any information subject to the non-disclosure obligation established herein.

35. The Company and the Bottler acknowledge that incidents may arise that pose a threat to the reputation and operations of the Bottler and/or adversely affect the good name, reputation and image of the Company and the Trademarks. The Bottler shall, in handling such incidents, including, but not limited to, any quality problems with the Beverage that may arise, appoint and organize a crisis management team and inform the Company of the name of its members. The Bottler also agrees to cooperate fully with the Company and third parties designated thereby and to coordinate all efforts to address and resolve any incident compatibly with the crisis management systems that the Company may inform from time to time to the Bottler.

36. Any provision herein that is or becomes legally invalid or ineffective shall not affect either the validity or the effectiveness of the other provisions herein, provided the invalidity or inefficacy of such provision do not prevent or unduly hinder compliance with this Agreement or impair the ownership or validity of the Trademarks. The right to termination according to Section 25(a)(2) will not be affected by this provision.

37. (a) All matters and affairs mentioned herein, this Agreement and the eventual subsequent written amendments or additions thereto shall constitute the entire agreement between the Company and the Bottler. All prior agreements of any type made by the parties in relation to the object hereof shall be null and void by this act, except to the extent that they may include covenants and other documents within the provisions in Section 17(a) hereof, provided, however, that any written statement by the Bottler that the Company took into account in executing this Agreement remains valid and binding upon the Bottler.

(b) No waiver, amendment, alteration or addition to this Agreement or to any of the provisions hereof shall be binding upon the Company or the Bottler unless it has been signed by duly authorized representatives of the Company and the Bottler.

(c) All written notices given according to this Agreement must be sent by courier, by fax, by messenger or by registered (air) mail and shall be deemed given on the date when such notice is sent, the personal delivery is made or said registered letter is sent by mail. Said written notices shall be addressed to the last known address of the relevant party. Each party shall give timely notice of any change in address to the other party.

38. Failure by the Company to exercise any right granted herein in timely fashion or to demand strict fulfillment of any obligation assumed by the Bottler herein shall not be deemed a waiver of that right or of the right to demand subsequent fulfillment of each and every one of the obligations assumed by the Bottler herein.

39. The Bottler is an independent contractor and is not an agent, partner or joint venturer with the Company. The Bottler agrees that it shall not claim to be, nor allow itself to be considered to be, an agent of, partner or joint venturer with the Company.

40. The headings herein are only included for convenience of the parties and shall not affect the interpretation of this Agreement.

41. This Agreement shall be construed and governed by and in accordance with the laws of   , without regard to any applicable principle on the choice or conflict of laws.

IN WITNESS WHEREOF, the Company, in Atlanta, Georgia, United States of America, and the Bottler, in   , caused their duly authorized representative or representatives to execute three counterparts of this Agreement on the dates indicated below.

THE COCA-COLA COMPANY	**[NAME OF BOTTLER]**
By: ______________________	By: ______________________
Authorized Representative	Authorized Representative
Date: ______________________	Date: ______________________

DOC 4 Header

Exhibit 1.3

EMBOTELLADORA ANDINA S.A.

AND

THE BANK OF NEW YORK

As Depositary

AND

HOLDERS AND BENEFICIAL OWNERS OF AMERICAN DEPOSITARY RECEIPTS

Amended and Restated Deposit Agreement

Dated as December 14, 2000

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AMENDED AND RESTATED DEPOSIT AGREEMENT

AMENDED AND RESTATED DEPOSIT AGREEMENT, dated as of December 14, 2000, among EMBOTELLADORA ANDINA S.A., incorporated under the laws of Chile (herein called the Company), THE BANK OF NEW YORK, a New York banking corporation (herein called the Depositary), and all Holders and Beneficial Owners from time to time of American Depositary Receipts issued hereunder.

W I T N E S S E T H :

WHEREAS, the Company has selected the Depositary to serve as successor depositary pursuant to Section 5.04 of the Amended and Restated Deposit Agreement, dated as of March 27, 1997, (the "Original Deposit Agreement"), among Embotelladora Andina S.A., Citibank, N.A. and all Holders and Beneficial Owners from time to time of American Depositary Receipts issued thereunder;

WHEREAS, pursuant to Section 6.01 of the Original Deposit Agreement, the Company and the Depositary deem it advisable to amend and restate the Original Deposit Agreement and the form of American Depositary Receipt annexed thereto as Exhibit A;

WHEREAS, the Company desires to amend and restate the Original Deposit Agreement pursuant to said Section 6.01 and to provide, as hereinafter set forth in this Amended and Restated Deposit Agreement, for the deposit of Shares (as hereinafter defined) of the Company from time to time with the Depositary or with the Custodian (as hereinafter defined) as agent of the Depositary for the purposes set forth in this Amended and Restated Deposit Agreement, for the creation of American Depositary Shares representing the Shares so deposited and for the execution and delivery of American Depositary Receipts evidencing the American Depositary Shares; and

WHEREAS, the American Depositary Receipts are to be substantially in the form of Exhibit A annexed hereto, with appropriate insertions, modifications and omissions, as hereinafter provided in this Amended and Restated Deposit Agreement;

NOW, THEREFORE, in consideration of the premises, it is agreed by and between the parties hereto as follows:

DEFINITIONS

The following definitions shall for all purposes, unless otherwise clearly indicated, apply to the respective terms used in this Amended and Restated Deposit Agreement:

American Depositary Shares.

The term "American Depositary Shares" shall mean the securities representing the interests in the Deposited Securities and evidenced by the Receipts issued hereunder. Each American Depositary Share shall represent six (6) Shares, until there shall occur a distribution upon Deposited Securities covered by Section 4.03 or a change in Deposited Securities covered by Section 4.08 with respect to which additional Receipts are not executed and delivered, and thereafter American Depositary Shares shall evidence the amount of Shares or Deposited Securities specified in such Sections.

Beneficial Owner.

The term "Beneficial Owner" shall mean each person owning from time to time any beneficial interest in the American Depositary Shares evidenced by any Receipt.

Business Day.

The term "Business Day" shall mean any day which is a *"día habil"* in Chile (as defined pursuant to Chilean law) and on which banks in New York, New York or Santiago Chile are not required or authorized by law or executive order to close.

Central Bank.

The term "Central Bank" means Banco Central de Chile and its successors.

Commission.

The term "Commission" shall mean the Securities and Exchange Commission of the United States or any successor governmental agency in the United States.

Company.

The term "Company" shall mean Embotelladora Andina S.A., incorporated under the laws of Chile, and its successors.

Custodian.

The term "Custodian" shall mean the [Santiago] office of Banco de Chile, as agent of the Depositary for the purposes of this Deposit Agreement, and any other firm or corporation which may hereafter be appointed by the Depositary pursuant to the terms of Section 5.05, as substitute or additional custodian or custodians hereunder, as the context shall require and shall also mean all of them collectively.

Delivery.

The terms "deliver", "deposit", "surrender", "transfer" or "withdraw", when used with respect to Shares or American Depositary Shares shall refer, where the context so requires, to an entry or entries or an electronic transfer or transfers in accounts maintained with an institution authorized under applicable laws to effect book-entry transfers of such securities (including in the case of Shares, the *Bolsa de Comercio de Santiago, Bolsa de Valores* (the "Santiago Stock Exchange"), the *Bolsa Electrónica de Chile, Bolsa de Valores* (the "Electronic Stock Exchange") and the *Bolsa de Corredores/Bolsa de Valores de Valparaiso* (the "Valparaiso Stock Exchange") (collectively, the "Chilean Exchanges")) and not necessarily to the physical transfer of certificates representing the Shares or American Depositary Receipts.

Deposit Agreement.

The term "Deposit Agreement" shall mean this Amended and Restated Deposit Agreement, including the exhibit hereto, as the same may be amended from time to time in accordance with the provisions hereof.

Depositary; Corporate Trust Office.

The term "Depositary" shall mean The Bank of New York, a New York banking corporation, and any successor as depositary hereunder. The term "Corporate Trust Office", when used with respect to the Depositary, shall mean the office of the Depositary which at the date of this Agreement is 101 Barclay Street, New York, New York 10286.

Deposited Securities.

The term "Deposited Securities" as of any time shall mean Shares at such time deposited or deemed to be deposited (including as contemplated under Section 2.09) under this Deposit Agreement and any and all other securities, property and cash received or deemed to be received by the Depositary or the Custodian in respect or in lieu thereof and at such time held hereunder, subject as to cash to the provisions of Section 4.05.

Dollars; Pesos.

The term "Dollars" shall mean United States dollars. The term "Pesos" shall mean the lawful currency of Chile.

Estatutos.

The term "Estatutos" shall mean *estatutos sociales* of the Company, as the same may be amended from time to time.

Foreign Exchange and Investment Contract.

The term "Foreign Exchange and Investment Contract" shall mean the "Chapter XXVI Agreement" to be entered into by the Central Bank, The Bank of New York and the Company pursuant to Article 47 of the constitutional Organic Law and the provisions of Chapter XXVI of the Compendium of Foreign Exchange Regulations of Chile.

Foreign Registrar.

The term "Foreign Registrar" shall mean the entity that presently carries out the duties of registrar for the Shares or any successor as registrar for the Shares and any other appointed agent of the Company for the transfer and registration of Shares.

Holder.

The term "Holder" shall mean the person in whose name a Receipt is registered on the books of the Depositary maintained for such purpose.

Receipts.

The term "Receipts" shall mean the American Depositary Receipts issued hereunder evidencing American Depositary Shares, as the same may be amended from time to time in accordance with the provisions hereof.

Registrar.

The term "Registrar" shall mean any bank or trust company having an office in the Borough of Manhattan, The City of New York, which shall be appointed to register Receipts and transfers of Receipts as herein provided.

Restricted Securities.

The term "Restricted Securities" shall mean Shares, or Receipts representing such Shares, which are acquired directly or indirectly from the Company or its affiliates (as defined in Rule 144 to the Securities Act of 1933), or which are held by an officer, director (or persons performing similar functions) or other affiliate of the Company, or which would require registration under the Securities Act in connection with the offer and sale thereof in the United States, or which are subject to other restrictions on sale or deposit under the laws of the United States or Chile, or under a shareholder agreement or the Estatutos.

Securities Act of 1933.

The term "Securities Act of 1933" shall mean the United States Securities Act of 1933, as from time to time amended.

Shares.

The term “Shares” shall mean the Series A shares of stock of the Company, without par value, heretofore validly issued and outstanding and fully paid, nonassessable and free of any pre-emptive rights of the holders of outstanding Shares or hereafter validly issued and outstanding and fully paid, nonassessable and free of any pre-emptive rights of the holders of outstanding Shares or interim certificates representing such Shares.

SVS.

The term “SVS” shall mean the Superintendencia de Valores y Seguros of Chile.

FORM OF RECEIPTS, DEPOSIT OF SHARES, EXECUTION AND DELIVERY, TRANSFER AND SURRENDER OF RECEIPTS

Form and Transferability of Receipts.

Definitive Receipts shall be substantially in the form set forth in Exhibit A annexed to this Deposit Agreement, with appropriate insertions, modifications and omissions, as hereinafter provided. No Receipt shall be entitled to any benefits under this Deposit Agreement or be valid or obligatory for any purpose, unless such Receipt shall have been executed by the Depositary by the manual signature of a duly authorized signatory of the Depositary; provided, however, that such signature may be a facsimile if a Registrar for the Receipts shall have been appointed and such Receipts are countersigned by the manual signature of a duly authorized officer of the Registrar. The Depositary shall maintain books on which each Receipt so executed and delivered as hereinafter provided and the transfer of each such Receipt shall be registered. Receipts may be issued in denominations of any whole number of American Depositary Shares. Receipts bearing the manual or facsimile signature of a duly authorized signatory of the Depositary who was at any time a proper signatory of the Depositary shall bind the Depositary, notwithstanding that such signatory has ceased to hold such office prior to the execution and delivery of such Receipts by the Registrar or did not hold such office on the date of issuance of such Receipts.

The Receipts may be endorsed with or have incorporated in the text thereof such legends or recitals or modifications not inconsistent with the provisions of this Deposit Agreement or the Estatutos as may be reasonably required by the Depositary to comply with any applicable law or regulations thereunder or with the rules and regulations of any securities exchange upon which American Depositary Shares may be listed or to conform with any usage with respect thereto, or to indicate any special limitations or restrictions to which any particular Receipts are subject by reason of the date of issuance of the underlying Deposited Securities or otherwise.

Title to a Receipt (and to the American Depositary Shares evidenced thereby), when properly endorsed or accompanied by proper instruments of transfer, shall be transferable by delivery with the same effect as in the case of a negotiable instrument under the laws of New York; provided, however, that the Depositary and the Company, notwithstanding any notice to the contrary, may treat the Holder thereof as the absolute owner thereof for the purpose of determining the person entitled to distribution of dividends or other distributions or to any notice provided for in this Deposit Agreement and for all other purposes.

Deposit of Shares.

Subject to the terms and conditions of this Deposit Agreement, Shares or evidence of rights to receive Shares to the extent permitted by Section 2.09 may be deposited by delivery thereof (including by book-entry credit) to any Custodian hereunder, accompanied by any appropriate instrument or instruments of transfer, or endorsement, in form satisfactory to the Custodian, together with all such certifications as may be required by the Depositary, the Custodian or the Company in accordance with the provisions of this Deposit Agreement, and, if the Depositary requires, together with a written order directing the Depositary to execute and deliver to, or upon the written order of, the person or persons stated in such order, a Receipt or Receipts for the number of American Depositary Shares representing such deposit. If required by the Depositary, Shares presented for deposit at any time, whether or not the transfer books of the Company or the Foreign Registrar, if applicable, are closed, shall also be accompanied (i) by an agreement or assignment, or other instrument satisfactory to the Depositary, which will provide for the prompt transfer to the Custodian of any dividend, or right to subscribe for additional Shares or to receive other property which any person in whose name the Shares are or have been recorded may thereafter receive upon or in respect of such deposited Shares, or in lieu thereof, such agreement of indemnity or other agreement as shall be satisfactory to the Depositary and (ii) if the Shares are registered in the name of the person on whose behalf they are presented for deposit, a proxy or proxies entitling the Custodian to vote such deposited Shares, insofar as permitted under Chilean law and the Estatutos, for any and all purposes until the Shares are registered in the name of Custodian or its nominees.

At the request and risk and expense of any person proposing to deposit Shares, and for the account of such person, the Depositary may receive certificates for Shares to be deposited, together with the other instruments herein specified, for the purpose of forwarding such Share certificates to the Custodian for deposit hereunder.

No Shares shall be accepted for deposit unless accompanied by evidence satisfactory to the Depositary that the deposit has been authorized by the Central Bank (unless and until the Company provides the Depositary with evidence satisfactory to it that such authorization is not longer necessary) and that the conditions for such authorization, as set forth in the Foreign Exchange and Investment Contract, have been satisfied.

If required by applicable Chilean law, no Shares shall be accepted for deposit unless the Custodian has received from or on behalf of the depositor a certificate satisfactory to the Custodian to the effect that either:

(a) each of the following conditions has been met:

(i) the Shares were purchased with pesos received upon conversion by the investor of dollars in the formal exchange market;

(ii) at the time of such currency conversion, the depositor indicated his intention to purchase Shares entitled to the benefits of the Foreign Exchange and Investment Contract;

(iii) the depositor acquired such Shares on an authorized stock exchange in Chile;

(iv) the Shares being deposited have been registered in the name of the Depositary;

(v) the investor has waived the right of access to the formal exchange market relating to the Shares being deposited; or

(b) such Shares are being redeposited by a former Holder who received them upon surrendering Receipts (in which case the certificate of the Custodian referred to in Section 2.05 of this Agreement shall serve as satisfactory evidence) and that the Holder waives the right to access to the formal exchange market relating to the Shares being redeposited.

Upon each delivery to a Custodian of a certificate or certificates for Shares to be deposited hereunder, together with the other documents above specified, such Custodian shall, as soon as transfer and recordation can be accomplished, present such certificate or certificates to the Company or the Foreign Registrar, if applicable, for transfer and recordation of the Shares being deposited in the name of the Depositary or its nominee or such Custodian or its nominee at the cost and expense of the person making such deposit (or for whose benefit such deposit is made) and shall obtain evidence satisfactory to it of such registration.

Deposited Securities shall be held by the Depositary or by a Custodian for the account and to the order of the Depositary or at such other place or places as the Depositary shall determine.

Execution and Delivery of Receipts.

Upon receipt by any Custodian of any deposit pursuant to Section 2.02 hereunder (and in addition, if the transfer books of the Company or the Foreign Registrar, if applicable, are open, the Depositary may in its sole discretion require a proper acknowledgment or other evidence from the Company or the Foreign Registrar, as the case may be, that any Deposited Securities have been recorded upon the books of the Company or the Foreign Registrar, if applicable, in the name of the Depositary or its nominee or such Custodian or its nominee), together with the other documents required as above specified, such Custodian shall notify the Depositary of such deposit and the person or persons to whom or upon whose written order a Receipt or Receipts are deliverable in respect thereof and the number of American Depositary Shares to be evidenced thereby. Such notification shall be made by letter or, at the request, risk and expense of the person making the deposit, by cable, telex or facsimile transmission. Upon receiving such notice from such Custodian, or upon the receipt of Shares by the Depositary, the Depositary, subject to the terms and conditions of this Deposit Agreement, shall execute and deliver at its Corporate Trust Office, to or upon the order of the person or persons entitled thereto, a Receipt or Receipts, registered in the name or names and evidencing any authorized number of American Depositary Shares requested by such person or persons, but only upon payment to the Depositary of the fees and expenses of the Depositary for the execution and delivery of such Receipt or Receipts as provided in Section 5.09, and of all taxes and governmental charges and fees, if any, payable in connection with such deposit and the transfer of the Deposited Securities. The Depositary shall not execute and deliver Receipts except in accordance with this Section 2.03 or Sections 2.04, 2.07, 2.09, 4.03, 4.04 and 4.08.

Transfer of Receipts; Combination and Split-up of Receipts.

The Depositary, subject to the terms and conditions of this Deposit Agreement, shall register transfers of Receipts on its transfer books from time to time, upon any surrender of a Receipt, by the Holder in person or by a duly authorized attorney, properly endorsed or accompanied by proper instruments of transfer, and duly stamped as may be required by the laws of the State of New York and of the United States of America. Thereupon the Depositary shall execute a new Receipt or Receipts and deliver the same to or upon the order of the person entitled thereto.

The Depositary, subject to the terms and conditions of this Deposit Agreement, shall upon surrender of a Receipt or Receipts for the purpose of effecting a split-up or combination of such Receipt or Receipts, execute and deliver a new Receipt or

Receipts for any authorized number of American Depositary Shares requested, evidencing the same aggregate number of American Depositary Shares as the Receipt or Receipts surrendered.

The Depositary may appoint, upon at least 20 days' written notice to the Company, one or more co-transfer agents, reasonably acceptable to the Company, for the purpose of effecting transfers, combinations and split-ups of Receipts at designated transfer offices on behalf of the Depositary. In carrying out its functions, a co-transfer agent may, to the same extent as the Depositary, require evidence of authority and compliance with applicable laws and other requirements by Holders or persons entitled to Receipts and will be entitled to protection and indemnity to the same extent as the Depositary.

Surrender of Receipts and Withdrawal of Shares.

Upon surrender at the Corporate Trust Office of the Depositary of a Receipt for the purpose of withdrawal of the Deposited Securities represented by the American Depositary Shares evidenced by such Receipt, and upon payment of the fee of the Depositary for the surrender of Receipts as provided in Section 5.09 and payment of all taxes and governmental charges, if any, payable in connection with such surrender and withdrawal of the Deposited Securities and upon delivery of any certifications required by the laws of Chile, and subject to the terms and conditions of this Deposit Agreement, the Estatutos, the provisions of or governing the Deposited Securities and applicable law, the Holder of such Receipt shall be entitled to delivery, to him or upon his order, of the amount of Deposited Securities at the time represented by the American Depositary Shares evidenced by such Receipt. Delivery of such Deposited Securities may be made by (a) (i) book-entry transfer of the Shares represented by such Receipt to an account in the name of such Holder or as ordered by him, or (ii) to the extent the Shares are evidenced in the future by certificates in accord with the Estatutos and Chilean law, the delivery of certificates in the name of such Holder or as ordered by him or certificates properly endorsed or accompanied by proper instruments of transfer to such Holder or as ordered by him and (b) delivery of any other securities, property and cash to which such Holder is then entitled in respect of such Receipts to such Holder or as ordered by him. Such delivery shall be made, as hereinafter provided, without unreasonable delay.

A Receipt surrendered for such purposes may be required by the Depositary to be properly endorsed in blank or accompanied by proper instruments of transfer in blank, and if the Depositary so requires, the Holder thereof shall execute and deliver to the Depositary a written order directing the Depositary to cause the Deposited Securities being withdrawn to be delivered to or upon the written order of a person or persons designated in such order. Thereupon the Depositary shall direct the Custodian to deliver at the Santiago office of such Custodian, subject to Sections 2.06, 3.01 and 3.02 and to the other terms and conditions of this Deposit Agreement and the Estatutos, to or upon the written order of the person or persons designated in the order delivered to the Depositary as above provided, the amount of Deposited Securities represented by the American Depositary Shares evidenced by such Receipt, except that the Depositary may make delivery to such person or persons at the Corporate Trust Office of the Depositary of any dividends or distributions with respect to the Deposited Securities represented by the American Depositary Shares evidenced by such Receipt, or of any proceeds of sale of any dividends, distributions or rights, which may at the time be held by the Depositary. Simultaneously with the delivery of Deposited Securities to the Holder or its designee, the Custodian, pursuant to the Foreign Exchange and Investment Contract, will issue or cause to be issued to the Holder or such designee a certificate which states that the Deposited Securities have been transferred to the Holder or its designee by the Depositary and that the Depositary waives in favor of the Holder or its designee the right of access to the formal foreign exchange market relating to such withdrawn Deposited Securities.

At the request, risk and expense of any Holder so surrendering a Receipt, and for the account of such Holder, the Depositary shall direct the Custodian to forward any cash or other property (other than rights) comprising, and forward a certificate or certificates and other proper documents of title for, the Deposited Securities represented by the American Depositary Shares evidenced by such Receipt to the Depositary for delivery at the Corporate Trust Office of the Depositary. Such direction shall be given by letter or, at the request, risk and expense of such Holder, by cable, telex or facsimile transmission.

Neither the Depositary nor the Custodian shall deliver Shares, by physical delivery, book-entry or otherwise (other than to the Company or its agent as contemplated by Section 4.08), or otherwise permit Shares to be withdrawn from the facility created hereby, except upon the receipt and cancellation of Receipts.

Limitations on Execution and Delivery, Transfer and Surrender of Receipts.

As a condition precedent to the execution and delivery, registration of transfer, split-up, combination or surrender of any Receipt, the delivery of any distribution thereon, or withdrawal of any Deposited Securities, the Company, the Depositary, Custodian or Registrar may require payment from the depositor of Shares or the presenter of the Receipt of a sum sufficient to reimburse it for any tax,or other governmental charge and any stock transfer or registration fee with respect thereto (including any such tax, charge or fee with respect to Shares being deposited or withdrawn) and payment of any applicable fees of the Depositary as provided in Section 5.09, may require the production of proof satisfactory to it as to the identity and genuineness of any signature and may also require compliance with any reasonable regulations the Depositary and the Company may establish consistent with the provisions of this Deposit Agreement, including, without limitation, this Section 2.06.

The delivery of Receipts against deposits of Shares generally or against deposits of particular Shares may be suspended, or the transfer of Receipts in particular instances may be refused, or the registration of transfer of outstanding Receipts or the combination or split-up of Receipts generally may be suspended, during any period when the transfer books of the Depositary are closed, or if any such action is reasonably deemed necessary or advisable by the Depositary or the Company at any time or from time to time because of any requirement of law or of any government or governmental body or commission, or under any provision of this Deposit Agreement, or for any other reason, subject to the provisions of the following sentence. Notwithstanding anything to the

contrary in this Deposit Agreement or the Receipts, the surrender of outstanding Receipts and withdrawal of Deposited Securities may be suspended only for (i) temporary delays caused by closing the transfer books of the Depositary or the Company or the deposit of Shares in connection with voting at a shareholders' meeting, or the payment of dividends, (ii) the payment of fees, taxes and similar charges, (iii) compliance with any U.S. or foreign laws or governmental regulations relating to the Receipts or to the withdrawal of the Deposited Securities, or (iv) any other reason that may at any time be specified in paragraph I(A)(1) of the General Instructions to Form F-6, as from time to time in effect, or any successor provision thereto. Without limitation of the foregoing, the Depositary shall not knowingly accept for deposit under this Deposit Agreement any Shares which would be required to be registered under the provisions of the Securities Act of 1933 for the public offer and sale thereof in the United States unless a registration statement is in effect as to such Shares for such offer and sale. The Depositary will comply with written instructions of the Company that the Depositary shall not accept for deposit hereunder any Shares identified in such instructions at such times and under such circumstances as may reasonably be specified in such instructions in order to facilitate the Company's compliance with the securities laws in the United States.

Lost Receipts, etc.

In case any Receipt shall be mutilated, destroyed, lost or stolen, the Depositary shall execute and deliver a new Receipt of like tenor in exchange and substitution for such mutilated Receipt upon cancellation thereof, or in lieu of and in substitution for such destroyed, lost or stolen Receipt. Before the Depositary shall execute and deliver a new Receipt in substitution for a destroyed, lost or stolen Receipt, the Holder thereof shall have (a) filed with the Depositary (i) a request for such execution and delivery before the Depositary has notice that the Receipt has been acquired by a bona fide purchaser and (ii) a sufficient indemnity bond and (b) satisfied any other reasonable requirements imposed by the Depositary.

Cancellation and Destruction of Surrendered Receipts.

All Receipts surrendered to the Depositary shall be cancelled by the Depositary. The Depositary is authorized to destroy Receipts so cancelled, subject to Section 2.11.

Pre-Release of Receipts.

The Depositary may execute and deliver Receipts against delivery by the Company (or by any agent of the Company recording ownership of the Shares) of rights to receive Shares from the Company (or from any such agent). No such issue of Receipts will be deemed a "Pre-Release" subject to the restrictions of the following paragraph.

Unless requested in writing by the Company to cease doing so, which request may be made by the Company at any time and with or without cause, notwithstanding Section 2.03 hereof, the Depositary may execute and deliver Receipts prior to the receipt of Shares pursuant to Section 2.02 (a "Pre-Release"). The Depositary may, pursuant to Section 2.05, deliver Shares upon the receipt and cancellation of Receipts which have been Pre-Released, whether or not such cancellation is prior to the termination of such Pre-Release or the Depositary knows that such Receipt has been Pre-Released. The Depositary may receive Receipts in lieu of Shares in satisfaction of a Pre-Release. Each Pre-Release will be (a) preceded or accompanied by a written representation and agreement from the person to whom Receipts are to be delivered (the "Pre-Releasee"), that the Pre-Releasee, or its customer, (i) owns the Shares or Receipts to be remitted, as the case may be, (ii) assigns all beneficial right, title and interest in such Shares or Receipts, as the case may be, to the Depositary in its capacity as such and for the benefit of the Holders, and (iii) will not take any action with respect to such Shares or Receipts, as the case may be, that is inconsistent with the transfer of beneficial ownership (including, without the consent of the Depositary, disposing of such Shares or Receipts, as the case may be), other than in satisfaction of such Pre-Release, (b) at all times fully collateralized with cash, U.S. government securities, or such other collateral as the Depositary determines, in good faith, will provide substantially similar liquidity and security, (c) terminable by the Depositary on not more than five (5) business days notice, and (d) subject to such further indemnities and credit regulations as the Depositary deems appropriate. The number of Shares not deposited but represented by American Depositary Shares outstanding at any time as a result of Pre-Releases will not normally exceed thirty percent (30%) of the Shares deposited hereunder; provided, however, that the Depositary reserves the right to disregard such limit from time to time as it deems reasonably appropriate, and may, with the prior written consent of the Company, change such limit for purposes of general application. The Depositary will also set Dollar limits with respect to Pre-Release transactions to be entered into hereunder with any particular Pre-Releasee on a case-by-case basis as the Depositary deems appropriate. For purposes of enabling the Depositary to fulfill its obligations to the Holders under this Agreement, the collateral referred to in clause (b) above shall be held by the Depositary as security for the performance of such Pre-Releasee's obligations to the Depositary in connection with a Pre-Release transaction, including such Pre-Releasee's obligation to deliver Shares or Receipts upon termination of a Pre-Release transaction (and shall not, for the avoidance of doubt, constitute Deposited Securities hereunder).

The Depositary may retain for its own account any compensation received by it in connection with the foregoing.

Tax Treatment of Deposited Securities Withdrawn.

For purposes of a tax ruling dated January 29, 1990 issued by the Chilean Internal Revenue Service regarding certain tax matters relating to American Depositary Shares and American Depositary Receipts, the acquisition value of any Share or other Deposited Security upon its withdrawal by a Holder upon surrender of the corresponding Receipt shall be the highest reported sales price of such Share or other Deposited Security on the Santiago Stock Exchange on the day on which the transfer of such Share or other Deposited Security from the Depositary to such Holder is recorded on the books of the Company or its agent. In the event that

the Shares or other Deposited Securities are not then traded on the Santiago Stock Exchange, such value shall be the highest reported sales price on the principal stock exchange or other organized securities market in Chile on which such Shares or other Deposited Securities are then traded. In the event that no such sales price is reported on the day on which such transfer is recorded on the books of the Company or its agent, such value shall be deemed to be the highest sale price reported on the last day on which such sales price was reported, provided that if such day is more than 30 days prior to the date of such transfer, such price shall be increased by the percentage increase over the corresponding period in the Chilean consumer price index as reported by the pertinent governmental authority of Chile.

Notwithstanding the foregoing, in the event such Shares or other Deposited Securities are transferred by a Holder on a Chilean Exchange, either on the same date on which the share transfer is registered in the Shareholders Register of the Company or within two Business Days prior to said date, the acquisition value of such shares shall be the price indicated in the invoice issued by the stockbroker who participated in the pertinent sales transaction.

Maintenance of Records.

The Depositary agrees to maintain or cause its agents to maintain records of all Receipts surrendered and Deposited Securities withdrawn under Section 2.05, substitute Receipts delivered under Section 2.07, and of canceled or destroyed Receipts under Section 2.08, in keeping with procedures customarily followed by stock transfer agents located in The City of New York or as required by the laws or regulations governing the Depositary. Prior to destroying any such records, the Depositary will notify the Company and will turn such records over to the Company upon its request.

CERTAIN OBLIGATIONS OF HOLDERS AND BENEFICIAL OWNERS OF RECEIPTS

Filing Proofs, Certificates and Other Information.

Any person presenting Shares for deposit or any Holder or Beneficial Owner of a Receipt may be required from time to time to file with the Depositary or the Custodian such proof of citizenship or residence, exchange control approval, legal or beneficial ownership of Receipts, Deposited Securities or other securities, compliance with all applicable laws or regulations or terms of this Agreement or the Receipts, payment of all Chilean taxes or other governmental charges, or such information relating to the registration on the books of the Company or the Foreign Registrar, if applicable, to execute such certificates and to make such representations and warranties, as the Depositary may reasonably deem necessary or proper or as the Company reasonably may require. The Depositary may withhold the delivery or registration of transfer of any Receipt or the distribution of any dividend or sale or distribution of rights or of the proceeds thereof or the delivery of any Deposited Securities underlying such Receipt until such proof or other information is filed or such certificates are executed or such representations and warranties made. The Depositary shall from time to time advise the Company of the availability of any such proofs, certificates or other information and shall provide copies thereof to the Company as promptly as practicable upon request by the Company, unless such disclosure is prohibited by law.

Liability of Holder or Beneficial Owner for Taxes.

If any tax or other governmental charge shall become payable by the Custodian or the Depositary with respect to any Receipt or any Deposited Securities represented by any Receipt, such tax or other governmental charge shall be payable by the Holder or Beneficial Owner of such Receipt to the Depositary. The Depositary may refuse to effect any transfer of such Receipt or any combination or split-up thereof or any withdrawal of Deposited Securities represented by American Depositary Shares evidenced by such Receipt until such payment is made, and may withhold any dividends or other distributions, or may sell for the account of the Holder or Beneficial Owner thereof any part or all of the Deposited Securities represented by the American Depositary Shares evidenced by such Receipt, and may apply such dividends or other distributions or the proceeds of any such sale in payment of such tax or other governmental charge (and any taxes or expenses arising out of such sale), and the Holder or Beneficial Owner of such Receipt shall remain liable for any deficiency.

Warranties on Deposit of Shares.

Every person depositing Shares under this Deposit Agreement shall be deemed thereby to represent and warrant that such Shares and each certificate therefor, if any, are validly issued, fully paid, nonassessable and free of any preemptive rights of the holders of outstanding Shares and that the person making such deposit is duly authorized so to do. Every such person shall also be deemed to represent that such Shares are not, and the Receipts evidencing American Depositary Shares representing such Shares would not be, Restricted Securities. Such representations and warranties shall survive the deposit of Shares and issuance of Receipts.

Compliance with Chilean Law.

It is hereby acknowledged that pursuant to a Circular Letter of the SVS dated June 28, 1990, as amended and restated on February 12, 1998 pursuant to Circular Letter of SVS 1,375, Holders are, as of the date hereof, deemed, for certain purposes of Chilean law, to be holders of Deposited Securities. Accordingly, it is hereby acknowledged that Holders are, as a matter of Chilean law as in effect on the date hereof, obligated to comply with the requirements of Articles 12 and 54 and Title XV of Law 18,045 of Chile. Article 12, as in effect at the date hereof, requires that, among other things, Holders report within five days after

the consummation of a transaction resulting in (a) or (b) below to the SVS and the stock exchanges in Chile on which the Shares are listed:

(a) any direct or indirect acquisition or sale of Receipts that results in the Holder acquiring or disposing of, directly or indirectly, the right to own 10% or more of the total share capital of the Company; and

(b) any direct or indirect acquisition or sale of Receipts or Shares or options to buy or sell Receipts, in any amount, made by (i) a Holder that owns Receipts representing 10% or more of the Shares or (ii) a director, general manager or manager of the Company.

Article 54, as in effect at the date hereof, requires that, among other things, any Holder intending to acquire control, directly or indirectly (as defined in Title XV of Law 18,045) of the Company (a) publish a notice of such intention in a newspaper in Chile disclosing the price and terms of any such acquisition at least five days prior to the actual acquisition and (b) send a written notice of such intention to the SVS and the stock exchanges in Chile on which the Shares are listed prior to such publication.

It is hereby acknowledged that, under Chilean law as in effect on the date hereof, a Holder subject to the requirements of Articles 12 and 54 and Title XV of Law 18,045 of Chile who violates or fails to comply with the requirements described above and with any regulations of the SVS is subject to an administrative fine to be determined by the SVS and is obligated to indemnify any person against damages incurred as a result of such violation or noncompliance.

Disclosure of Interests.

To the extent that provisions of or governing any Deposited Securities (including the Estatutos or applicable law) may require the disclosure of beneficial or other ownership of Deposited Securities, other Shares and other securities to the Company and may provide for blocking transfer and voting or other rights to enforce such disclosure or limit such ownership, the Depositary shall use its best efforts that are reasonable under the circumstances to comply with Company instructions as to Receipts in respect of any such enforcement or limitation, and Holders and Beneficial Owners shall comply with all such disclosure requirements and ownership limitations and shall cooperate with the Depositary's compliance with such Company instructions.

THE DEPOSITED SECURITIES

Cash Distributions.

Whenever the Depositary, or on its behalf, its agent, shall receive any cash dividend or other cash distribution on any Deposited Securities, the Depositary shall, or shall cause its agent to, as promptly as practicable, subject to the provisions of Section 4.05, convert such dividend or distribution into Dollars, transfer such Dollars to the United States and shall distribute the amount thus received (net of the fees and expenses of the Depositary as provided in Section 5.09) to the Holders entitled thereto, in proportion to the number of American Depositary Shares representing such Deposited Securities held by them respectively; provided, however, that in the event that the Company, the Depositary or the Custodian shall be required to withhold and does withhold from such cash dividend or such other cash distribution an amount on account of taxes, the amount distributed to the Holder of the Receipts evidencing American Depositary Shares representing such Deposited Securities shall be reduced accordingly. The Depositary shall distribute only such amount, however, as can be distributed without attributing to any Holder a fraction of one cent. Any such fractional amounts shall be rounded to the nearest whole cent and so distributed to Holders entitled thereto. The Company or its agent will remit to the appropriate governmental agency in Chile all amounts withheld and owing to such agency. The Depositary will forward to the Company or its agent such information from its records as the Company may reasonably request to enable the Company or its agent to file necessary reports with governmental agencies, and the Depositary or the Company or its agent may file any such reports necessary to obtain benefits under the applicable tax treaties for the Holders of Receipts.

Distributions Other Than Cash, Shares or Rights.

Subject to the provisions of Sections 4.11 and 5.09, whenever the Depositary shall receive any distribution other than a distribution described in Section 4.01, 4.03 or 4.04, the Depositary shall, as promptly as practicable, cause the securities or property received by it to be distributed to the Holders entitled thereto, after deduction or upon payment of any fees and expenses of the Depositary or any taxes or other governmental charges, in proportion to the number of American Depositary Shares representing such Deposited Securities held by them respectively, in any manner that the Depositary may deem equitable and practicable for accomplishing such distribution; provided, however, that if in the opinion of the Depositary such distribution cannot be made proportionately among the Holders entitled thereto, or if for any other reason (including, but not limited to, any requirement that the Company, the Custodian or the Depositary withhold an amount on account of taxes or other governmental charges or that such securities must be registered under the Securities Act of 1933 in order to be distributed to Holders or Beneficial Owners) the Depositary deems such distribution not to be feasible, the Depositary may, after consultation with the Company, adopt such method as it may deem equitable and practicable for the purpose of effecting such distribution, including, but not limited to, the public or private sale of the securities or property thus received, or any part thereof, and the net proceeds of any such sale (net of the fees and expenses of the Depositary as provided in Section 5.09) shall be distributed by the Depositary to the Holders entitled thereto, all in the manner and subject to the conditions described in Section 4.01; provided, further, that no distribution to Holders pursuant to this Section 4.02 shall be unreasonably delayed by any action of the Depositary or any of its agents. To the extent such securities or property or the net proceeds thereof are not distributed to Holders or sold as provided in this Section 4.02, the same shall constitute Deposited Securities

and each American Depositary Share shall thereafter also represent its proportionate interest in such securities, property or net proceeds.

Distributions in Shares.

If any distribution upon any Deposited Securities consists of a dividend in, or free distribution of, Shares, the Depositary may, and shall if the Company shall so requests, distribute, as promptly as practicable, to the Holders of outstanding Receipts entitled thereto, in proportion to the number of American Depositary Shares representing such Deposited Securities held by them respectively, additional Receipts evidencing an aggregate number of American Depositary Shares representing the amount of Shares received as such dividend or free distribution, subject to the terms and conditions of the Deposit Agreement with respect to the deposit of Shares and the issuance of American Depositary Shares evidenced by Receipts, including the withholding of any tax or other governmental charge as provided in Section 4.11 and the payment of the fees and expenses of the Depositary as provided in Section 5.09. The Depositary may withhold any such distribution of ADRs if it has not received satisfactory assurances from the Company that such distribution does not require registration under the Securities Act or is exempt from registration under the provisions of such Act. In lieu of delivering Receipts for fractional American Depositary Shares in any such case, the Depositary shall sell the amount of Shares represented by the aggregate of such fractions and distribute the net proceeds, all in the manner and subject to the conditions described in Section 4.01; provided, however, that no distribution to Holders pursuant to this Section 4.03 shall be unreasonably delayed by any action of the Depositary or any of its agents. If additional Receipts are not so distributed, each American Depositary Share shall thenceforth also represent the additional Shares distributed upon the Deposited Securities represented thereby.

Rights.

In the event that the Company shall offer or cause to be offered to the holders of any Deposited Securities any rights to subscribe for additional Shares or any rights of any other nature, the Depositary, after consultation with the Company, shall have discretion as to the procedure to be followed in making such rights available to any Holders or in disposing of such rights on behalf of any Holders and making the net proceeds available to such Holders or, if by the terms of such rights offering or for any other reason, it would be unlawful for the Depositary either to make such rights available to any Holders or to dispose of such rights and make the net proceeds available to such Holders, then the Depositary shall allow the rights to lapse. If at the time of the offering of any rights the Depositary determines that it is lawful and feasible to make such rights available to all or certain Holders but not to other Holders, the Depositary may (after consultation with the Company), and at the request of the Company shall, distribute to any Holder to whom it determines the distribution to be lawful and feasible, in proportion to the number of American Depositary Shares held by such Holder, warrants or other instruments therefor in such form as it deems appropriate.

In circumstances in which rights would otherwise not be distributed, if a Holder requests the distribution of warrants or other instruments in order to exercise the rights allocable to the American Depositary Shares of such Holder hereunder, the Depositary will promptly make such rights available to such Holder upon written notice from the Company to the Depositary that (a) the Company has elected in its sole discretion to permit such rights to be exercised and (b) such Holder has executed such documents as the Company has determined in its sole discretion are reasonably required under applicable law.

If the Depositary has distributed warrants or other instruments for rights to all or certain Holders, then upon instruction from such a Holder pursuant to such warrants or other instruments to the Depositary to exercise such rights, upon payment by such Holder to the Depositary for the account of such Holder of an amount equal to the purchase price of the Shares to be received upon the exercise of the rights, and upon payment of the fees and expenses of the Depositary and any other charges as set forth in such warrants or other instruments, the Depositary shall, on behalf of such Holder, exercise the rights and purchase the Shares, and the Company shall cause the Shares so purchased to be delivered to the Depositary on behalf of such Holder. As agent for such Holder, the Depositary will cause the Shares so purchased to be deposited pursuant to Section 2.02 of this Deposit Agreement, and shall, pursuant to Section 2.03 of this Deposit Agreement, execute and deliver Receipts to such Holder. In the case of a distribution pursuant to the second paragraph of this section, such Receipts shall be legended in accordance with applicable U.S. laws, and shall be subject to the appropriate restrictions on sale, deposit, cancellation, and transfer under such laws.

If the Depositary determines that it is not lawful and feasible to make such rights available to all or certain Holders, it will use its best efforts that are reasonable under the circumstances to sell the rights, warrants or other instruments in proportion to the number of American Depositary Shares held by the Holders to whom it has determined it may not lawfully and feasibly make such rights available, and allocate the net proceeds of such sales (net of the fees and expenses of the Depositary as provided in Section 5.09 and all taxes and governmental charges payable in connection with such rights and subject to the terms and conditions of this Deposit Agreement) for the account of such Holders otherwise entitled to such rights, warrants or other instruments, upon an averaged or other practical basis without regard to any distinctions among such Holders because of exchange restrictions or the date of delivery of any Receipt or otherwise. Such proceeds shall be distributed as promptly as practicable in accordance with Section 4.01 hereof.

If a registration statement under the Securities Act of 1933 is required with respect to the securities to which any rights relate in order for the Company to offer such rights to Holders and sell the securities represented by such rights, the Depositary will not offer such rights to Holders unless and until such a registration statement is in effect, or unless the offering and sale of such securities and such rights to such Holders are exempt from or not subject to, registration under the provisions of the Securities Act of 1933; provided, however, that nothing in this Deposit Agreement shall create, or shall be construed as creating, any obligation on the part of the Company to file a registration statement under the Securities Act of 1933 with respect to such rights or underlying securities or to endeavor to have such a registration statement declared effective. If a Holder of Receipts requests the distribution of warrants or

other instruments, notwithstanding that there has been no such registration under such Act, the Depositary shall not effect such distribution unless it has received an opinion from recognized counsel in the United States for the Company upon which the Depositary may rely that such distribution to such Holder is exempt from such registration.

The Depositary shall not be responsible for any failure to determine that it may be lawful or feasible to make such rights available to Holders in general or any Holder in particular.

Conversion of Foreign Currency.

Whenever the Depositary or the Custodian shall receive foreign currency, by way of dividends or other distributions or the net proceeds from the sale of securities, property or rights, and if at the time of the receipt thereof the foreign currency so received can, pursuant to applicable law, be converted on a reasonable basis into Dollars and the resulting Dollars transferred to the United States, the Depositary shall, subject to the Foreign Exchange and Investment Contract and applicable laws and regulations, convert or cause to be converted, by sale or in any other manner that it may determine, such foreign currency into Dollars, and such Dollars shall be distributed, as promptly as practicable, to the Holders entitled thereto or, if the Depositary shall have distributed any warrants or other instruments which entitle the holders thereof to such Dollars, then to the holders of such warrants and/or instruments upon surrender thereof for cancellation. Such distribution may be made upon an averaged or other practicable basis without regard to any distinctions among Holders on account of exchange restrictions, the date of delivery of any Receipt or otherwise and shall be net of any expenses of conversion into Dollars incurred by the Depositary or the Custodian as provided in Section 5.09.

The Depositary shall exercise its rights under the Foreign Exchange and Investment Contract as and to the extent appropriate in order to effect such conversions and distributions, and is authorized to give such certifications, and enter into such agreements and arrangements, as may be necessary or convenient thereunder or in connection therewith, provided, however, that the Depositary shall not be obligated to incur any material expense in connection therewith or to take any action that would subject it to any expense, liability or civil or criminal penalty or sanction or civil or criminal proceedings, unless satisfactory indemnity is furnished with respect thereto.

If such conversion with regard to a particular Holder or distribution can be effected only with the approval or license of any government or agency thereof other than the Foreign Exchange and Investment Contract and the approvals contemplated thereby, the Depositary shall, as promptly as practicable, file such application for approval or license, if any, as is reasonably necessary to effect such conversion or distribution; provided, however, that the Depositary shall be entitled to rely upon Chilean local counsel in such matter, which counsel shall be instructed to act as promptly as possible.

If at any time the Depositary shall determine that in its reasonable judgment any foreign currency received by the Depositary or the Custodian is not convertible on a reasonable basis into Dollars transferable to the United States, or if any approval or license of any government or agency thereof which is required for such conversion is denied or in the reasonable judgment of the Depositary is not obtainable, or if any such approval or license is not obtained within a reasonable period as determined by the Depositary, the Depositary may distribute the foreign currency (or an appropriate document evidencing the right to receive such foreign currency) received by the Depositary to, or in its discretion may hold such foreign currency uninvested and without liability for interest thereon for the respective accounts of, the Holders entitled to receive the same.

If any such conversion of foreign currency, in whole or in part, cannot be effected for distribution to some of the Holders entitled thereto, the Depositary may in its discretion make such conversion and distribution in Dollars to the extent permissible to the Holders entitled thereto and may distribute the balance of the foreign currency received by the Depositary to, or hold such balance uninvested and without liability for interest thereon for the respective accounts of, the Holders entitled thereto.

Fixing of Record Date.

Whenever any cash dividend or other cash distribution shall become payable or any distribution other than cash shall be made, or whenever rights shall be issued with respect to the Deposited Securities, or whenever the Depositary shall receive notice of any meeting of holders of Shares or other Deposited Securities, or whenever for any reason the Depositary causes a change in the number of Shares that are represented by each American Depositary Share, or whenever the Depositary shall find it necessary or convenient, the Depositary shall fix a record date, which date shall (x) be the same date as the record date determined by the Company in accordance with Chilean law, if any, to the extent practicable, or (y) if different from the record date determined by the Company, be as near as practicable to the record date determined by the Company or, if more than five (5) Business Days after such record date, be fixed after consultation with the Company (a) for the determination of the Holders who shall be (i) entitled to receive such dividend, distribution or rights or the net proceeds of the sale thereof, (ii) entitled to give instructions for the exercise of voting rights at any such meeting or (iii) responsible for any fee assessed by the Depositary pursuant to this Deposit Agreement, or (b) on or after which each American Depositary Share will represent the changed number of Shares, or (c) for any other reason. Subject to the provisions of Sections 4.01 through 4.05 and to the other terms and conditions of this Deposit Agreement, the Holders on such record date shall be entitled, as the case may be, to receive the amount distributable by the Depositary with respect to such dividend or other distribution or such rights or the net proceeds of sale thereof in proportion to the number of American Depositary Shares held by each of them respectively and to give voting instructions and to act in respect of any other such matter.

Voting of Deposited Securities.

Upon receipt of notice of any meeting or solicitation of proxies of holders of Shares or other Deposited Securities, the Depositary shall, as soon as practicable thereafter, mail to the Holders a notice, the form of which notice shall be in the discretion

of the Depositary and shall comply with any applicable provisions of Chilean law of which the Company has notified the Depositary that govern the form of such notice, which shall contain (a) such information as is contained in such notice of meeting received by the Depositary from the Company, together with a summary in English of such information provided by the Company, (b) a statement that the Holders as of the close of business on a specified record date will be entitled, subject to any applicable provision of Chilean law and of the Estatutos and the provisions of the Deposited Securities, to instruct the Depositary as to the exercise of the voting rights, if any, pertaining to the amount of Shares or other Deposited Securities represented by their respective American Depositary Shares, (c) a statement as to the manner in which such instructions may be given, including an express indication that such instructions will be deemed given in accordance with the next paragraph if no instruction is received, to the Depositary to give a discretionary proxy to the Chairman of the Board of Directors of the Company (or to a person designated by the Chairman). Upon the written request of a Holder on such record date, received on or before the date established by the Depositary for such purpose, the Depositary shall endeavor, in so far as practicable, to vote or cause to be voted the amount of Shares or other Deposited Securities represented by the American Depositary Shares evidenced by such Receipt in accordance with the instructions set forth in such request. The Depositary shall not vote or attempt to exercise the right to vote that attaches to the Shares or other Deposited Securities, other than in accordance with such instructions or deemed instruction.

If no instructions are received by the Depositary from any Holder with respect to any of the Deposited Securities represented by the American Depositary Shares evidenced by such Holder's Receipts on or before the date established by the Depositary for such purpose, the Depositary shall deem such Holder to have instructed the Depositary to give a discretionary proxy to the Chairman of the Board of Directors of the Company (or to a person designated by the Chairman) with respect to such Deposited Securities and the Depositary shall give such a discretionary proxy to vote such Deposited Securities; provided, that no such instruction shall be deemed given and no such discretionary proxy shall be given with respect to any matter as to which the Company informs the Depositary (and the Company agrees to provide such information as promptly as practicable in writing) that the Chairman of the Board of Directors of the Company (or his/her designee) does not wish such proxy given; and provided, further, however, that the Shares or other Deposited Securities shall in such event be counted for the purpose of satisfying applicable quorum requirements unless the Chairman of the Board of Directors of the Company (or his/her designee) determines otherwise.

Changes Affecting Deposited Securities.

In circumstances where the provisions of Section 4.03 do not apply, upon any change in nominal value, change in par value, split-up, consolidation or any other reclassification of Deposited Securities, or upon any recapitalization, reorganization, merger or consolidation or sale of assets affecting the Company or to which it is a party, any securities which shall be received by the Depositary or a Custodian in exchange for or in conversion of or in respect of Deposited Securities, shall be treated as new Deposited Securities under this Deposit Agreement, and American Depositary Shares shall thenceforth represent, in addition to the existing Deposited Securities, the right to receive the new Deposited Securities so received in exchange or conversion, unless additional Receipts are delivered pursuant to the following sentence. In any such case the Depositary may, and shall if the Company shall so request, execute and deliver additional Receipts as in the case of a dividend in Shares, or call for the surrender of outstanding Receipts to be exchanged for new Receipts specifically describing such new Deposited Securities. If requested in writing by the Company, upon occurrence of any such change, conversion or exchange covered by this Section 4.08 in respect of Deposited Securities, the Depositary shall give notice thereof in writing to all Holders, at the Company's expense (unless otherwise agreed in writing by the Company and the Depositary).

Reports.

The Depositary shall make available for inspection by Holders at its Corporate Trust Office any reports, notices and communications, including any proxy soliciting material, received from the Company which are both (a) received by the Depositary, the Custodian or a nominee of either as the holder of the Deposited Securities and (b) made generally available to the holders of such Deposited Securities by the Company. The Depositary shall also send to the Holders copies of such reports, notices and communications when such copies are furnished by the Company for such purpose, pursuant to Section 5.06. Any such reports, notices and communications, including any such proxy soliciting material, furnished to the Depositary by the Company shall be furnished in English, to the extent such materials are required to be translated into English pursuant to any regulations of the Commission applicable to the Company. On or prior to the date hereof, the Company shall deliver to the Depositary and the Custodian a copy in English of the Estatutos, and promptly upon any amendment thereto or change therein, the Company shall deliver to the Depositary and the Custodian a copy in English of such amendments or changes. The Depositary may rely upon such copy for all purposes of this Agreement. The Depositary will, at the expense of the Company (unless otherwise agreed in writing by the Company and the Depositary), either before or after the date of this Agreement, make such copy and such notices, reports and other communications available for inspection by Holders at the Depositary's office, at the office of the Custodian and at any other designated transfer offices.

Lists of Holders.

Promptly upon request by the Company, the Depositary shall, at the expense of the Company (unless otherwise agreed in writing by the Company and the Depositary), furnish to it a list, as of a recent date, of the names, addresses and holdings of American Depositary Shares by all persons in whose names Receipts are registered on the books of the Depositary.

Withholding.

In connection with any distribution to Holders, the Company or its agent will remit to the appropriate governmental authority or agency in Chile all amounts (if any) required to be withheld by the Company and owing to such authority or agency by the Company; and the Depositary and the Custodian, respectively, will remit to the appropriate governmental authority or agency all amounts (if any) required to be withheld and owing to such authority or agency by the Depositary or the Custodian, respectively. The Depositary shall forward to the Company or its agent in a timely manner such information from its records as the Company may reasonably request to enable the Company or its agent to file necessary reports with governmental authorities or agencies. In the event that the Depositary determines that any distribution in property other than cash (including Shares and rights to subscribe therefor) is subject to any tax or other governmental charge which the Depositary is obligated to withhold, the Depositary may by public or private sale dispose of all or a portion of such property (including Shares and rights to subscribe therefor) in such amounts and in such manner as the Depositary deems necessary and practicable to pay such taxes or charges and the Depositary shall distribute the net proceeds of any such sale after deduction of such taxes or charges to the Holders entitled thereto in proportion to the number of American Depositary Shares held by them respectively, all in accordance with applicable provisions of this Deposit Agreement.

The Depositary shall use reasonable efforts to make and maintain arrangements enabling Holders to receive any tax credits or other benefits (pursuant to treaty or otherwise) relating to dividend payments in respect of the American Depositary Shares, and the Company shall, to the extent reasonably practicable, provide the Depositary with such tax receipts or other similar documents as the Depositary may reasonably request to maintain such arrangements.

THE DEPOSITARY, THE CUSTODIANS AND THE COMPANY

Maintenance of Office and Transfer Books by the Depositary.

Until termination of this Deposit Agreement in accordance with its terms, the Depositary shall maintain in the Borough of Manhattan, The City of New York, facilities for the execution and delivery, registration, registration of transfers, combinations and split-ups and surrender of Receipts, all in accordance with the provisions of this Deposit Agreement.

The Depositary shall keep books, at its Corporate Trust Office, for the registration of Receipts and transfers of Receipts which at all reasonable times shall be open for inspection by the Holders, provided that such inspection shall not be for the purpose of communicating with Holders in the interest of a business or object other than the business of the Company or a matter related to this Deposit Agreement, the Deposited Securities, the Estatutos or the Receipts.

The Depositary may close the transfer books, (a) after consultation with the Company to the extent practicable (if other than in the ordinary course of business) at any time or from time to time, when deemed reasonably expedient by it in connection with the performance of its duties hereunder, or (b) at the request of the Company.

If any Receipts or the American Depositary Shares evidenced thereby are listed on one or more stock exchanges in the United States, the Depositary shall act as Registrar or appoint a Registrar or one or more co-registrars for registry of such Receipts in accordance with any requirements of such exchange or exchanges.

The Company shall have the right, upon reasonable request, to inspect the transfer and registration records of the Depositary relating to the Receipts, to take copies thereof and to require the Depositary and any co-registrars to supply, at the Company's expense, such copies of such portions of such records as the Company may request.

Prevention or Delay in Performance by the Depositary or the Company.

Neither the Depositary nor the Company nor any of their respective directors, employees, agents or affiliates shall incur any liability to any Holder or Beneficial Owner, if by reason of any provision of any present or future law or regulation of the United States, Chile or any other country, or of any governmental or regulatory authority or stock exchange (including any action by the Central Bank under the Foreign Exchange and Investment Contract), or by reason of any provision, present or future, of the Estatutos or the Deposited Securities, or by reason of any provision of any securities issued or distributed by the Company, or any offering or distribution thereof, or by reason of any act of God or war or other circumstances beyond its control, the Depositary or the Company shall be prevented, delayed or forbidden from, or be subject to any civil or criminal penalty on account of, doing or performing any act or thing which by the terms of this Deposit Agreement, the Foreign Exchange and Investment Contract, the *Estatutos* or Deposited Securities it is provided shall be done or performed; nor shall the Depositary or the Company or any of their respective directors, employees, agents or affiliates incur any liability to any Holder or Beneficial Owner by reason of any nonperformance or delay, caused as aforesaid, in the performance of any act or thing which by the terms of this Deposit Agreement it is provided shall or may be done or performed, or by reason of any exercise of, or failure to exercise, any discretion provided for in this Deposit Agreement. Where, by the terms of a distribution pursuant to Section 4.01, 4.02, or 4.03 of this Deposit Agreement, or an offering or distribution pursuant to Section 4.04 of this Deposit Agreement, or for any other reason, the Depositary is prevented or prohibited from making such distribution or offering available to Holders, and the Depositary is prevented or prohibited from disposing of such distribution or offering on behalf of such Holders and making the net proceeds available to such Holders, then the Depositary, after consultation with the Company, shall not make such distribution or offering, and shall allow any rights, if applicable, to lapse.

Obligations of the Depositary, the Custodian and the Company.

The Company assumes no obligation nor shall it be subject to any liability under this Deposit Agreement to Holders or Beneficial Owners, except that it agrees to perform its obligations specifically set forth in this Deposit Agreement without negligence or bad faith.

The Depositary assumes no obligation nor shall it be subject to any liability under this Deposit Agreement to any Holder or Beneficial Owner (including, without limitation, liability with respect to the validity or worth of the Deposited Securities), except that it agrees to perform its obligations specifically set forth in this Deposit Agreement without negligence or bad faith.

Neither the Depositary nor the Company shall be under any obligation to appear in, prosecute or defend any action, suit or other proceeding in respect of any Deposited Securities or in respect of the Receipts, which in its opinion may involve it in expense or liability, unless indemnity satisfactory to it against all expense and liability shall be furnished as often as may be required, and the Custodian shall not be under any obligation whatsoever with respect to such proceedings, the responsibility of the Custodian being solely to the Depositary.

Neither the Depositary nor the Company shall be liable for any action or nonaction by it in reliance upon the advice of or information from legal counsel, accountants, any person presenting Shares for deposit, any Holder or any other person believed by it in good faith to be competent to give such advice or information.

The Depositary shall not be liable for any acts or omissions made by a successor depositary whether in connection with a previous act or omission of the Depositary or in connection with any matter arising wholly after the removal or resignation of the Depositary, provided that in connection with the issue out of which such potential liability arises the Depositary performed its obligations without negligence or bad faith while it acted as Depositary.

The Depositary shall not be responsible for any failure to carry out any instructions to vote any of the Deposited Securities, or for the manner in which any such vote is cast or the effect of any such vote, provided that any such action is without negligence or bad faith.

No disclaimer of liability under the Securities Act of 1933 is intended by any provision of this Deposit Agreement.

SECTION 5.4. Resignation and Removal of the Depositary.

The Depositary may at any time resign as Depositary hereunder by written notice of its election so to do delivered to the Company, such resignation to take effect upon the appointment of a successor depositary and its acceptance of such appointment as hereinafter provided.

The Depositary may at any time be removed by 30 days notice by the Company by written notice of such removal to become effective upon the later of (i) the 30th day after delivery of the notice to the Depositary or (ii) the appointment of a successor depositary and its acceptance of such appointment as hereinafter provided.

In case at any time the Depositary acting hereunder shall resign or be removed, the Company shall use its best efforts to appoint a successor depositary, which shall be a bank or trust company having an office in the Borough of Manhattan, The City of New York. Every successor depositary shall execute and deliver to its predecessor and to the Company an instrument in writing accepting its appointment hereunder and a new Chapter XXVI Agreement among the Central Bank, the Company and such successor depositary, and thereupon such successor depositary, without any further act or deed, shall become fully vested with all the rights, powers, duties and obligations of its predecessor; but such predecessor, nevertheless, upon payment of all sums due it and on the written request of the Company shall execute and deliver an instrument transferring to such successor all rights and powers of such predecessor hereunder, shall duly assign, transfer and deliver all right, title and interest in the Deposited Securities to such successor, and shall deliver to such successor a list of the Holders of all outstanding Receipts together with copies of such other records maintain by the Depositary in relation to the Receipts as the Company may reasonably request. Any such successor depositary shall promptly mail notice of its appointment to the Holders.

Any corporation into or with which the Depositary may be merged or consolidated shall be the successor of the Depositary without the execution or filing of any document or any further act.

The Custodian.

The Custodian shall be subject at all times and in all respects to the directions of the Depositary and shall be responsible solely to it and the Depositary shall be responsible for the compliance by the Custodian with the applicable provisions of this Deposit Agreement. Any Custodian may resign from its duties hereunder by notice of such resignation delivered to the Depositary at least 30 days prior to the date on which such resignation is to become effective. If, upon the effectiveness of such resignation there would be no Custodian acting hereunder, the Depositary shall, promptly after receiving such notice, appoint a substitute custodian or custodians approved by the Company (such approval not to be unreasonably withheld or delayed), each of which shall thereafter be a Custodian hereunder. The Depositary may discharge any Custodian at any time upon notice to the Custodian being discharged with the approval of the Company (such approval not to be unreasonably withheld). Whenever the Depositary in its discretion determines that it is in the best interest of the Holders to do so, it may, after consultation with the Company to the extent practicable, appoint a substitute or additional custodian or custodians, each of which shall thereafter be one of the Custodians hereunder. The Depositary shall, to the extent practicable, notify the Company of the appointment of a substitute or additional Custodian at least 30 days prior to the date on which such appointment is to become effective. Upon demand of the Depositary any Custodian shall deliver such of the Deposited Securities held by it as are requested of it to any other Custodian or such substitute or additional custodian or custodians. Each such substitute or additional custodian shall deliver to the Depositary, forthwith

upon its appointment, an acceptance of such appointment satisfactory in form and substance to the Depositary. Promptly after any such change, the Depositary shall give notice thereof in writing to all Holders.

Upon the appointment of any successor depositary hereunder, each Custodian then acting hereunder shall forthwith become, without any further act or writing, the agent hereunder of such successor depositary and the appointment of such successor depositary shall in no way impair the authority of each Custodian hereunder; but the successor depositary so appointed shall, nevertheless, on the written request of any Custodian, execute and deliver to such Custodian all such instruments as may be proper to give to such Custodian full and complete power and authority as agent hereunder of such successor depositary.

Notices and Reports.

On or before the first date on which the Company gives notice, by publication or otherwise, of any meeting of holders of Shares or other Deposited Securities, or of any adjourned meeting of such holders, or of the taking of any action in respect of any cash or other distributions or the offering of any rights in respect of Deposited Securities, the Company agrees to transmit to the Depositary and the Custodian a copy of the notice thereof in the form given or to be given to holders of Shares or other Deposited Securities.

The Company will arrange for the translation into English, if not already in English, to the extent required pursuant to any regulations of the Commission applicable to the Company, and the prompt transmittal by the Company to the Depositary and the Custodian of such notices and any other reports and communications which are made generally available by the Company to holders of its Shares. The Depositary will promptly make such notices, reports and other communications available to all Holders on a basis similar to that for holders of Shares or other Deposited Securities, or on such other basis as the Company may advise the Depositary is required by any applicable law, regulation or stock exchange or automated inter-dealer quotation system requirement or, at the written request and expense of the Company, promptly arrange for the mailing of copies thereof (or if requested by the Company, a summary of any such notice provided by the Company) to all Holders. The Company will timely provide the Depositary with the quantity of such notices, reports, and communications, as requested by the Depositary from time to time, in order for the Depositary to effect any such mailings.

Distribution of Additional Shares, Rights, etc.

The Company agrees that in the event of any issuance or distribution of (1) additional Shares, (2) rights to subscribe for Shares, (3) securities convertible into or exchangeable for Shares, or (4) rights to subscribe for such securities, the Company will take all steps reasonably necessary to ensure that no violation by the Company or the Depositary of the Securities Act of 1933 will result from such issuance or distribution.

The Company agrees with the Depositary that neither the Company nor any company controlled by the Company will at any time deposit any Shares, either originally issued or previously issued and reacquired by the Company or any such affiliate, unless a Registration Statement is in effect as to such Shares under the Securities Act of 1933 or the Company furnishes to the Depositary a written opinion from U.S. counsel for the Company, which counsel shall be reasonably satisfactory to the Depositary, stating that such depositor may publicly offer and sell such Shares in the United States without registration under that Act.

Indemnification.

The Company agrees to indemnify the Depositary, its directors, employees, agents and affiliates and any Custodian against, and hold each of them harmless from, any liability or expense (including, but not limited to, the reasonable fees and expenses of counsel) which may arise out of acts performed or omitted, pursuant to the provisions of this Deposit Agreement and of the Receipts, as the same may be amended, modified or supplemented from time to time, (i) by either the Depositary or a Custodian or their respective directors, employees, agents and affiliates, except for any liability or expense arising out of the negligence or bad faith of any such person and except to the extent that such liability or expense arises out of information relating to the Depositary or the Custodian, as applicable, furnished in writing to the Company by the Depositary or the Custodian, and not materially altered or changed by the Company, as applicable, expressly for use in any registration statement, proxy statement, prospectus (or placement memorandum) or preliminary prospectus (or preliminary placement memorandum) relating to the offer or sale of American Depositary Shares, or omissions from such information, or (ii) by the Company or any of its directors, employees, agents and affiliates.

The indemnities contained in the preceding paragraph shall not extend to any liability or expense which arises solely and exclusively out of a Pre-Release (as defined in Section 2.09) of a Receipt or Receipts and which would not otherwise have arisen had such Receipt or Receipts not been the subject of a Pre-Release; provided, however, that the indemnities provided in the preceding paragraph shall apply to any such liability or expense (i) to the extent that such liability or expense would have arisen had a Receipt or Receipts not been the subject of a Pre-Release, or (ii) which may arise out of any misstatement or alleged misstatement or omission or alleged omission in any registration statement, proxy statement, prospectus (or placement memorandum), or preliminary prospectus (a preliminary placement memorandum) relating to the offer or sale of American Depositary Shares, except to the extent any such liability arises out of (a) information relating to the Depositary or any Custodian, as applicable, furnished in writing to the Company by the Depositary or any Custodian, and not materially altered or changed by the Company, as applicable, expressly for use in any of the foregoing documents, or (b) if such information is provided, the failure to state a material fact necessary to make the information provided not misleading.

The Depositary agrees to indemnify the Company, its directors, employees, agents and affiliates and hold them harmless from any liability or expense (including, but not limited to, the reasonable fees and expenses of counsel) which may arise out

of acts performed or omitted by the Depositary or its Custodian or their respective directors, employees, agents and affiliates due to their negligence or bad faith.

Any Person seeking indemnification hereunder (an "Indemnified Person") shall notify the person from whom it is seeking indemnification (the "Indemnifying Person") of the commencement of any indemnifiable action or claim promptly after such Indemnified Person becomes aware of such commencement and shall consult in good faith with the Indemnifying Person as to the conduct of the defense of such action or claim, which defense shall be reasonable under the circumstances. No Indemnified Person shall compromise or settle any such action or claim without the consent in writing of the Indemnifying Person, which consent shall not be unreasonably withheld.

Charges of Depositary.

The Company agrees to pay the fees and reasonable out-of-pocket expenses of the Depositary and those of any Registrar only in accordance with agreements in writing entered into between the Depositary and the Company from time to time. The Depositary shall present detailed statements for such expenses to the Company at least once every three months. The charges and expenses of the Custodian are for the sole account of the Depositary.

The following charges to the extent permitted by applicable law shall be incurred by any party depositing or withdrawing Shares or by any party surrendering Receipts or to whom Receipts are issued (including, without limitation, issuance pursuant to a stock dividend or stock split declared by the Company or an exchange of stock regarding the Receipts or Deposited Securities or a distribution of Receipts pursuant to Section 4.03) or any Holder, whichever applicable (and not by the Company): (1) taxes and other governmental charges, (2) such registration fees as may from time to time be in effect for the registration of transfers of Shares generally on the Share register of the Company or Foreign Registrar and applicable to transfers of Shares to the name of the Depositary or its nominee or the Custodian or its nominee on the making of deposits or withdrawals hereunder, (3) such cable, telex and facsimile transmission expenses as are expressly provided in this Deposit Agreement, (4) such expenses as are incurred by the Depositary in the conversion of foreign currency pursuant to Section 4.05, (5) a fee of $5.00 or less per 100 American Depositary Shares (or portion thereof) for the execution and delivery of Receipts pursuant to Section 2.03, 4.03 or 4.04 and the surrender of Receipts pursuant to Section 2.05 or 6.02, (6) a fee of $.02 or less per American Depositary Share (or portion thereof) for any cash distribution made pursuant to this Deposit Agreement, including, but not limited to Sections 4.01 through 4.04 hereof (to the extent permitted by the rules of any securities exchange, including the New York Stock Exchange, on which the American Depositary Shares are then listed for trading), (7) a fee for the distribution of securities pursuant to Section 4.02, such fee being in an amount equal to the fee for the execution and delivery of American Depositary Shares referred to above which would have been charged as a result of the deposit of such securities (for purposes of this clause 7 treating all such securities as if they were Shares) but which securities are instead distributed by the Depositary to Holders, (8) a fee not in excess of $1.50 per certificate for a Receipt or Receipts for transfers made pursuant to the terms of this Deposit Agreement and (9) any other charges payable by the Depositary, any of the Depositary's agents, including the Custodian, or the agents of the Depositary's agents in connection with the servicing of Shares or other Deposited Securities (which charge shall be assessed against Holders as of the date or dates set by the Depositary in accordance with the Deposit Agreement and shall be collected at the sole discretion of the Depositary by billing such Holders for such charge or by deducting such charge from one or more cash dividends or other cash distributions).

Retention of Depositary Documents.

The Depositary is authorized to destroy those documents, records, bills and other data compiled during the term of this Deposit Agreement at the times permitted by the laws or regulations governing the Depositary unless the Company requests that such papers be retained for a longer period.

Exclusivity.

Without prejudice to the Company's rights under Section 5.04 of this Deposit Agreement, the Company agrees not to appoint any other depositary for issuance of American Depositary Receipts evidencing American Depositary Shares so long as The Bank of New York is acting as Depositary hereunder.

AMENDMENT AND TERMINATION

Amendment.

The form of the Receipts and any provisions of this Deposit Agreement may at any time and from time to time be amended by agreement between the Company and the Depositary without the consent of Holders or Beneficial Owners of Receipts in any respect which they may deem necessary or desirable. Any amendment which shall impose or increase any fees or charges (other than taxes and other governmental charges, registration fees, cable, telex or facsimile transmission costs, delivery costs or other such expenses), or which shall otherwise prejudice any substantial existing right of Holders, shall, however, not become effective as to outstanding Receipts until the expiration of thirty (30) days after notice of such amendment shall have been given to the Holders of outstanding Receipts. Every Holder and Beneficial Owner, at the time any amendment so becomes effective shall be deemed, by

continuing to hold such Receipt or interest therein, to consent and agree to such amendment and to be bound by this Deposit Agreement as amended thereby. In no event shall any amendment impair the right of the Holder of any Receipt to surrender such Receipt and receive therefor the Deposited Securities represented thereby, except in order to comply with mandatory provisions of applicable law.

Termination.

The Depositary shall, at any time, at the direction of the Company, terminate this Deposit Agreement by mailing notice of such termination to the Holders of all Receipts then outstanding at least 30 days prior to the date fixed in such notice for such termination. The Depositary may likewise terminate this Deposit Agreement by mailing notice of such termination to the Company and the Holders of all Receipts then outstanding, such termination to be effective on a date specified in such notice not less than 90 days after the date thereof if at any time 90 days shall have expired after the Depositary shall have delivered to the Company a written notice of its election to resign and a successor depositary shall not have been appointed and accepted its appointment as provided in Section 5.04. On and after the date of termination, the Holder of a Receipt will, upon (a) surrender of such Receipt at the Corporate Trust Office of the Depositary, (b) payment of the fee of the Depositary for the surrender of Receipts referred to in Section 2.05, and (c) payment of any applicable taxes or governmental charges, be entitled to delivery, to him or upon his order, of the amount of Deposited Securities represented by the American Depositary Shares evidenced by such Receipt. If any Receipts shall remain outstanding after the date of termination, the Depositary thereafter shall discontinue the registration of transfers of Receipts, shall suspend the distribution of dividends to the Holders thereof, and shall not give any further notices or perform any further acts under this Deposit Agreement, except that the Depositary shall continue to collect dividends and other distributions pertaining to Deposited Securities, shall sell rights and other property as provided in this Deposit Agreement, and shall continue to deliver Deposited Securities, together with any dividends or other distributions received with respect thereto and the net proceeds of the sale of any rights or other property, in exchange for Receipts surrendered to the Depositary (after deducting, in each case, the fee of the Depositary for the surrender of a Receipt, any expenses for the account of the Holder of such Receipt in accordance with the terms and conditions of this Deposit Agreement, and any applicable taxes or governmental charges). At any time after the expiration of one year from the date of termination, the Depositary may sell the Deposited Securities then held hereunder and may thereafter hold uninvested the net proceeds of any such sale, together with any other cash then held by it hereunder, unsegregated and without liability for interest, for the pro rata benefit of the Holders of Receipts which have not theretofore been surrendered, such Holders thereupon becoming general creditors of the Depositary with respect to such net proceeds and such other cash. After making such sale, the Depositary shall be discharged from all obligations under this Deposit Agreement, except to account for such net proceeds and other cash (after deducting, in each case, the fee of the Depositary for the surrender of a Receipt, any expenses for the account of the Holder of such Receipt in accordance with the terms and conditions of this Deposit Agreement, and any applicable taxes or governmental charges) and except as provided in Section 5.08. Upon the termination of this Deposit Agreement, the Company shall be discharged from all obligations under this Deposit Agreement except for its obligations to the Depositary under Sections 5.08 and 5.09 hereof.

MISCELLANEOUS

Counterparts.

This Deposit Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of such counterparts shall constitute one and the same instrument. Copies of this Deposit Agreement shall be filed with the Depositary and the Custodian and shall be open to inspection by any Holder or Beneficial Owner during business hours.

No Third Party Beneficiaries.

This Deposit Agreement is for the exclusive benefit of the parties hereto and shall not be deemed to give any legal or equitable right, remedy or claim whatsoever to any other person.

Severability.

In case any one or more of the provisions contained in this Deposit Agreement or in the Receipts should be or become invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein or therein shall in no way be affected, prejudiced or disturbed thereby.

Holders and Beneficial Owners as Parties; Binding Effect.

The Holders and Beneficial Owners shall be parties to this Deposit Agreement and shall be bound by all of the terms and conditions hereof and of the Receipts by acceptance thereof or any interest therein.

Notices.

Any and all notices to be given to the Company shall be deemed to have been duly given if personally delivered or sent by mail or cable, telex or facsimile transmission confirmed by letter, addressed to Embotelladora Andina S.A., Av. Andres Bello 2687, 20th Floor, Santiago, Chile, or any other place to which the Company may have transferred its principal office after notice to the Depositary.

Any and all notices to be given to the Depositary shall be deemed to have been duly given if in English and personally delivered or sent by mail or cable, telex or facsimile transmission confirmed by letter, addressed to The Bank of New York, 101 Barclay Street, New York, New York 10286, Attention: American Depositary Receipt Administration, or any other place to which the Depositary may have transferred its Corporate Trust Office after notice to the Company.

Any and all notices to be given to any Holder shall be deemed to have been duly given if personally delivered or sent by mail or cable, telex or facsimile transmission confirmed by letter, addressed to such Holder at the address of such Holder as it appears on the transfer books for Receipts of the Depositary, or, if such Holder shall have filed with the Depositary a written request that notices intended for such Holder be mailed to some other address, at the address designated in such request.

Delivery of a notice sent by mail or cable, telex or facsimile transmission shall be deemed to be effective at the time when a duly addressed letter containing the same (or a confirmation thereof in the case of a cable, telex or facsimile transmission) is deposited, postage prepaid, in a post-office letter box; provided, however, that delivery of a notice to the Company or the Depositary shall be deemed to be effective when actually received by the Company or the Depositary, as the case may be. The Depositary or the Company may, however, act upon any cable, telex or facsimile transmission received by it, notwithstanding that such cable, telex or facsimile transmission shall not subsequently be confirmed by letter as aforesaid.

Submission to Jurisdiction; Appointment of Agent for Service of Process.

The Company hereby (i) irrevocably designates and appoints CT Corporation Systems, 1633 Broadway, New York, New York, 10038, as the Company's authorized agent upon which process may be served in any suit or proceeding arising out of or relating to the Shares or Deposited Securities, the American Depositary Shares, the Receipts or this Agreement which may be instituted in any United States federal or New York State court sitting in the Borough of Manhattan, the City of New York, (ii) consents and submits to the non-exclusive jurisdiction of any such court in the Borough of Manhattan, City of New York with respect to any such suit or proceeding, and (iii) agrees that service of process upon said authorized agent shall be deemed in every respect effective service of process upon the Company in any such suit or proceeding. The Company agrees to deliver, upon the execution and delivery of this Deposit Agreement, a written acceptance by such agent of its appointment as such agent. The Company further agrees to take any and all action, including the filing of any and all such documents and instruments, as may be necessary to continue such designation and appointment in full force and effect for so long as any American Depositary Shares or Receipts remain outstanding or this Agreement remains in force. If said authorized agent shall cease to act as the Company's agent for service of process, the Company shall appoint without delay another such agent and promptly notify the Depositary of such appointment. In the event the Company fails to continue such designation and appointment in full force and effect, the Company hereby waives personal service of process upon it and consents that any such service of process may be made by certified or registered mail, return receipt requested, directed to the Company at its address last specified for notices hereunder, and service so made shall be deemed completed ten (10) days after the same shall have been so mailed.

Waiver of Immunities.

To the extent that the Company or any of its properties, assets or revenues may have or may hereafter become entitled to, or have attributed to it, any right of immunity, on the grounds of sovereignty or otherwise, from any legal action, suit or proceeding, from the giving of any relief in any respect thereof, from setoff or counterclaim, from the jurisdiction of any court, from service of process, from attachment upon or prior to judgment, from attachment in aid of execution or judgment, or from execution of judgment, or other legal process or proceeding for the giving of any relief or for the enforcement of any judgment, in any jurisdiction in which proceedings may at any time be commenced, with respect to its obligations, liabilities or any other matter under or arising out of or in connection with the Shares or Deposited Securities, the American Depositary Shares, the Receipts or this Agreement, the Company, to the fullest extent permitted by law, hereby irrevocably and unconditionally waives, and agrees not to plead or claim, any such immunity and consents to such relief and enforcement.

Governing Law.

This Deposit Agreement and the Receipts shall be interpreted and all rights hereunder and thereunder and provisions hereof and thereof shall be governed by the laws of the State of New York.

Headings.

Headings contained herein are included for convenience only and are not to be used in construing or interpreting any provision hereof.

IN WITNESS WHEREOF, EMBOTELLADORA ANDINA S.A. and THE BANK OF NEW YORK have duly executed this Deposit Agreement as of the day and year first set forth above and all Holders and Beneficial Owners shall become parties hereto upon acceptance by them of Receipts issued in accordance with the terms hereof.

EMBOTELLADORA ANDINA S.A.

By: ____________________
Name:
Title:

By: ____________________
Name:
Title:

THE BANK OF NEW YORK,
as Depositary

By: ____________________
Name:
Title:

DOC 5 Header

Exhibit 1.4

SHAREHOLDER'S AGREEMENT

THIS SHAREHOLDERS' AGREEMENT (this "Agreement") is made and entered into as of this 5th day of September, 1996, by and among EMBOTELLADORA ANDINA S.A., a corporation organized under the laws of Chile ("Andina"), THE COCA-COLA COMPANY a corporation organized under the laws of Delaware, U.S.A. ("KO"), COCA- COLA INTERAMERICAN CORPORATION, a corporation organized under the laws of Delaware, U.S.A. ("Interamerican"), COCA-COLA DE ARGENTINA S.A., a corporation organized under the laws of Argentina ("TCCC Argentina"), BOTTLING INVESTMENT LIMITED, a corporation organized under the laws of the Cayman Islands (" SPC"), INVERSIONES FREIRE L TDA. , a limited liability company organized under the laws of Chile (''Freire One"), and INVERSIONES FREIRE DOS LTDA., a limited liability company organized under the laws of Chile ("Freire Two," and together with Freire One, the "Majority Shareholders") (KO, Interamerican and TCCC Argentina (and upon the Closing Date, SPC) are hereinafter referred to as the "KO Shareholders"; and the KO Shareholders and the Majority Shareholders are hereinafter collectively referred to as the "Shareholders" and each individually as a "Shareholder").

WITNESSETH:

WHEREAS, pursuant to a Stock Purchase Agreement dated of even date herewith (the "Andina Purchase Agreement"), SPC will acquire from Andina, upon the terms and conditions set forth in the Andina Purchase Agreement, 24,000,000 newly issued shares of Common Stock of Andina which, after giving effect to the Amendments (as defined in the Andina Purchase Agreement), shall be reclassified as 24,000,000 shares of Class A Stock and 24,000,000 shares of Class B Stock (each as hereinafter defined) representing more than 6% of the outstanding shares of capital stock of Andina (such shares, together with any shares of capital stock or securities or other options or rights convertible into or exchangeable for any shares of such capital stock or American Depository Shares or other instruments representing such shares of such capital stock, are hereinafter referred to as the "Acquired Shares");

WHEREAS, pursuant to a Stock Purchase Agreement dated of even date herewith (the "SPC Purchase Agreement"), Interamerican and TCCC Argentina will acquire from Citicorp Banking Corporation all of the outstanding shares of capital stock of SPC;

WHEREAS, the Majority Shareholders currently own 200,001,969 shares of Common Stock of Andina which, after giving effect to the Amendments, shall be reclassified as 200,001,969 shares of Class A Stock and 200,001,969 shares of Class B Stock representing in the aggregate approximately 50.61% of the outstanding shares of capital stock of Andina (such shares, together with any shares of capital stock or securities or other options or rights convertible into or exchangeable for any shares of such capital stock, or American Depository Shares or other instruments representing such shares of such capital stock, are hereinafter referred to as the "Majority Shareholder Shares");

WHEREAS, the equity investment by KO in Andina through Interamerican and TCCC Argentina is intended to establish a new and expanded relationship that the Majority Shareholders and KO believe has the potential to enhance the growth and profitability of Andina as well as the potential to afford KO and the Majority Shareholders the opportunity to participate in the future growth in the region through Andina; and

WHEREAS, the parties hereto have determined it to be advisable and in their best interests to (i) provide for certain restrictions on the transfer of the Shares (as defined in Article 2) and (ii) provide for certain other matters.

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, agree as follows:

ARTICLE 1
EFFECTIVE DATE; TERMINATION

1.1 Effective Date. This Agreement shall become effective on the Closing Date.

1.2 Termination.

(a) The rights and obligations of the parties to this Agreement shall terminate if either of the Purchase Agreements is terminated prior to the Closing Date or if any of the KO Shareholders voluntarily Transfers Shares in a sale to a Person other than KO or a subsidiary of KO, and, as a result of such sale, during the 30 days following such sale KO and its subsidiaries own less than (i) if the reclassification contemplated by the Amendments has not occurred or if following such reclassification an event occurs with the result that only Common Stock of Andina is outstanding, 15.66 million shares of Common Stock of Andina, or (ii) it such reclassification has occurred and Class A Stock continues to be outstanding, 15.66 million shares of Class A Stock.

(b) The rights and obligations of the parties under Sections 3.1, 3.2, 3.3 and 3.4 of this Agreement and under Article 4 of this Agreement shall terminate if both (i) the Majority Shareholders notify the KO Shareholders in writing that the ownership level of Andina stock held by KO and its subsidiaries has fallen below (x) 4% of the outstanding Common Stock if the reclassification contemplated by the Amendments has not occurred or if following such reclassification an event occurs with the result that only Common Stock of Andina is outstanding, or (y) 4% of the Class A Stock if such reclassification has occurred and Class A Stock continues to be outstanding, and (ii) within one year following the receipt of such written notice KO and its subsidiaries fail to restore their ownership of Andina stock to at least such applicable 4% level. —

ARTICLE 2
CERTAIN DEFINITIONS

For purposes of this Agreement, the following capitalized terms shall have the following meanings: “Bona Fide Offer” shall mean a written offer which the offeree wishes to accept setting forth the bona fide intention of the Person delivering such writing to purchase for cash all or part of the Shares by the offeree and stating in reasonable detail the cash consideration to be paid therefore and the other material terms and conditions of such offer. Any Bona Fide Offer shall be accompanied by a statement of the source of funds to be utilized in the transaction by the Person making the offer, including (where applicable) a commitment letter from an appropriate financial institution in form reasonably acceptable to the parties. “Brokers Transactions” shall mean brokers’ transactions on any exchange or in any over the-counter market, including brokers’ transactions within the meaning of Rule 144 under the Securities Act.

“Business Day” shall mean any day other than a day on which commercial banks in the cities of Atlanta or New York in the United States of America or in the city of Santiago, Chile, are required or authorized by law to be closed.

“Class A Stock” shall mean the Class A Stock of Andina (reflecting the reclassification of the existing Common Stock of Andina after giving effect to the Amendments), each share of which is convertible, at the option of the holder, into one share of Class B Stock.

“Class B Stock” shall mean the Class B Stock of Andina (reflecting the reclassification of the existing Common Stock of Andina after giving effect to the Amendments).

“Closing Date” shall mean the Closing Date of the transactions contemplated by the Purchase Agreements.

“KO Parties” shall mean KO, Interamerican, TCCC Argentina and any and all KO Permitted Transferees and upon the Closing Date shall include SPC.

“Market Value” (as calculated on a per share basis) shall mean the quotient of the average closing price of the Common Stock or Class B Stock of Andina, as reported on the Santiago Stock Exchange (“Bolsa de Comerciode Santiago”) for the twelve month period ended on the trading date immediately prior to the date the notice by the KO Shareholders exercising the put right provided in Section 5.1 is delivered.

“Majority Shareholder Partners” shall mean the current beneficial owners of the Majority Shareholders as of the date of this Agreement, which are the persons listed on Exhibit 2.1 to this Agreement.

‘Majority Shareholder Partner Group” shall mean:

(a) any of the Majority Shareholder Partners;

(b) any of the spouses of the Majority Shareholder Partners;

(c) any of the lineal descendants (whether natural or adopted) of any of the l\1ajority Shareholder Partners;

(d) any individual who, in circumstances where the transferor at the time of his death did not have a spouse or any lineal descendants, receives shares of the Majority Shareholders by intestacy from (i) a Majority Shareholder Partner, (ii) a lineal descendant (whether natural or adopted) of any of the Majority Shareholder Partners, or (iii) a person who has previously received shares of the Majority Shareholders by intestacy as described in this paragraph (d);

(e) any Wholly Owned Subsidiary of any of the foregoing; and

(f) any trust formed for the benefit of any of the Persons listed in clauses (a), (b), (c) or (d) if one or more Persons listed in clauses (a), (b), (c) or (d) retains full voting and investment power over the assets of such trust.

“Person” shall mean a natural person, partnership, corporation, trust or other legal entity.

“Public Offering” shall mean a widely distributed underwritten public offering of securities pursuant to an effective registration statement under the Securities Act or pursuant to an exemption from the registration requirements thereof.

“Purchase Agreements” shall mean the Andina Purchase Agreement and the SPC Purchase Agreement. “Put Event” shall mean (i) the sale of all or substantially all of the assets of Andina or (ii) any merger, consolidation, share exchange, business combination or similar transaction involving Andina as a result of which Andina is not the surviving entity or any reorganization involving any third party in which Andina is not the surviving entity.

“Securities Act” shall mean the Securities Act of 1933, as amended.

“Shares” means any shares of capital stock of Andina, any securities or other options or rights convertible into or exchangeable for any shares of capital stock of Andina, or any American Depository Shares or other instruments representing shares of capital stock of Andina, whether or not issued or outstanding on the date hereof; provided that the term “Shares” shall not include any shares of Class B Stock or any American Depository Shares or other instruments representing shares of Class B Stock so long as shares of Class B Stock do not have voting power which is in any material respect greater than the voting power provided to the Class B Stock in the Amendments. “Transfer” shall mean any direct or indirect sale, assignment, transfer, pledge, usufructs, hypothecation or deposit into a voting trust of the securities in question.

“Wholly Owned Subsidiary” of a Person shall mean a corporation, entity or other Person all of the securities of which (other than directors’ qualifying shares or similar shares) are owned, directly or indirectly, by such Person.

ARTICLE 3
MANAGEMENT

3.1 Board of Directors. The Shareholders agree that the Board of Directors of Andina shall at all times consist of not more than twelve incumbent members and twelve alternate members. The KO Shareholders shall be entitled to nominate one incumbent member and one alternate member to the Board of Directors of Andina. 3.2 Election of Directors. At every annual meeting and at any special

meeting of Shareholders hereafter called for the purpose of electing a director or directors of Andina, the KO Shareholders shall vote

all of their Shares in favor of the election of the nominee for director designated by the KO Shareholders as provided in this Article 3 (and his or her alternate), and the Majority Shareholders shall vote such number of Shares owned, directly or indirectly, by them as may be necessary (after taking into account the Shares voted by the KO Shareholders) to cause the election of such KO nominee (and his or her alternate).

3.3 Vacancies. In the event of any vacancy on the Board of Directors occasioned by the death, incapacity, resignation or removal of a director nominated by the KO Shareholders, each Shareholder will vote or cause to be voted all Shares which the Shareholder owns to fill such vacancy with the nominee designated by the KO Shareholders. The Shareholders will take all such action as may be necessary to promptly fill such vacancy, including the calling of a shareholders' meeting.

3.4 Removal of Directors. If the KO Shareholders, in their sole discretion, determine to remove a director which the KO Shareholders had previously so nominated and so notify the other Shareholder in writing, each Shareholder agrees promptly to vote or cause to be voted all Shares which the Shareholder owns in favor of the removal of such director.

3.5 Management of Andina; Board of Directors Action. (a) The day-to-day administration of Andina's business and affairs shall be conducted by Andina's current management structure under the direction, control and supervision of the Board of Directors of Andina in accordance with the Estatutos Sociales of Andina. Except to the extent otherwise required under the Chilean Companies Act or other applicable Chilean law, no action of the Board of Directors shall require a supermajority vote of the members of the Board of Directors. (b) The Shareholders acknowledge that the Estatutos Sociales of Andina provide for certain notice, quorum and voting requirements for action of the Board of Directors of Andina and agree not to take any action inconsistent with such provisions.

3.6 Shareholder Meetings. The Shareholders acknowledge that the Estatutos Sociales provide for certain notice, quorum and voting requirements at ordinary and extraordinary shareholders' meetings and agree not to take any action inconsistent with such provisions.

3. 7 Code of Business Conduct. The Majority Shareholders agree (i) that Andina and its subsidiaries shall have in effect at all times a Code of Business Conduct in substantially the form of Exhibit 3.7 and (ii) to cause Andina to take appropriate action to assure that the Code of Business Conduct is adequately communicated to management and all employees of Andina and its subsidiaries.

3.8 Environmental Matters. The Majority Shareholders agree that: (a) the operations of Andina and its subsidiaries will be conducted: (i) in compliance in all material respects with the requirements of all applicable environmental laws, regulations, statutes, ordinances and permit conditions ("Environmental Laws"); (ii) in accordance in all material respects with all "Good Environmental Practices" as published by the Environmental Assurance Department of KO; and (iii) in a reasonable manner such that the risk of material liability to governmental entities and/or third parties arising from environmental matters is minimized. (b) In fulfilling the intent of this Section 3 .8, the responsibility for environmental compliance will be assigned to an individual in the management of Andina, whose duties shall include conducting regular environmental audits of all production facilities. In addition, Andina's General Manager shall notify the Board of Directors of Andina of any material exceptions to environmental compliance and ensure that all required corrective actions are initiated and completed as soon as possible.

ARTICLE 4
RESTRICTIONS ON TRANSFER

4. 1 Transfer Restrictions Generally

(a) The rights of the KO Shareholders and the Majority Shareholders to Transfer any Shares are restricted as provided in this Article 4, and no Transfer of Shares by any of the KO Shareholders or the Majority Shareholders may be affected except in compliance with this Article 4. Any attempted or actual Transfer in violation of this Agreement shall, to the full extent permitted under applicable Chilean laws or regulations, be of no effect and null and void. (b) Without complying with the provisions of this Article 4, the KO Shareholders may make Transfers of Shares to KO or to any Wholly Owned Subsidiary of KO (a "KO Permitted Transferee"); provided, however, that (i) any Shares Transferred to any KO Permitted Transferee hereunder shall remain subject to the provisions of this Agreement, and (ii) such KO Permitted Transferee shall agree in writing to be bound by the provisions of this Agreement. Prior to such time as any KO Permitted Transferee holding any Shares shall cease to be a Wholly Owned Subsidiary of KO, such KO Permitted Transferee shall Transfer all Shares then owned by it to the KO Shareholders or to another KO Permitted Transferee. The restrictions set forth in this Article 4 shall terminate upon the occurrence of a Put Event or (x) a change in the direct or indirect ownership of the outstanding voting power or equity interests of any of the Majority Shareholders as a result of which the Majority Shareholder Partner Group owns collectively less than 75% of the outstanding voting power or less than 75% of the outstanding equity interests of any of the Majority Shareholders, or (y) a change in the ownership of the outstanding voting power or equity interests of Andina as a result of which the Majority Shareholders and the Majority Shareholder Permitted Transferees (as defined Section 4.l(c)) own collectively less than 50.1% of the outstanding voting power or less than 25% of the outstanding equity interests of Andina. (c) Without complying with the provisions of this Article 4, the Majority Shareholders may make Transfers of Shares to any Wholly Owned Subsidiary of a Majority Shareholder (a "Majority Shareholder Permitted Transferee"); provided, however, that (i) any Shares Transferred to a Majority Shareholder Permitted Transferee hereunder shall remain subject to the provisions of this Agreement and (ii) such Majority Shareholder Permitted Transferee shall agree in writing to be bound by the provisions of this Agreement. Prior to such time as any Majority Shareholder Permitted Transferee holding any Shares shall cease to be a Wholly Owned Subsidiary of a Majority Shareholder, such Majority Shareholder Permitted Transferee shall Transfer all Shares then owned by it to the Majority Shareholders or to another Majority Shareholder Permitted Transferee.

4.2 Restrictions on Transfer by KO Shareholders. Prior to the third anniversary of the date hereof, the KO Shareholders will not, directly or indirectly, Transfer any Shares other than (a) in accordance with the provisions of Sections 4.l(b) or 5.1 of this Agreement,

(b) in connection with any merger, consolidation, recapitalization, reclassification or other similar transaction involving Andina or (c) in connection with a tender offer or an exchange offer of shares of capital stock of Andina made by Andina or approved and recommended by the Board of Directors of Andina.

4.3 Right of First Refusal.

(a) Except as set forth in Section 4. l(b), 4.l(c) or 4.J(e) of this Agreement, if any Shareholder (the "Transferring Shareholder") receives a Bona Fide Offer from a third party to sell all or any portion of the Shares held by the Transferring Shareholder (the "Offered Shares") in a transaction not subject to Section 4.4 hereof, then the Transferring Shareholder shall give notice (the "Notice") of such Bona Fide Offer to purchase the Offered Shares to the other Shareholders (the "Non-Transferring Shareholders"). Such Notice shall contain a copy of the third party's offer and set forth in reasonable detail the terms of the proposed purchase, including: (i) the number of Shares proposed to be Transferred, (ii) the name and address of the proposed purchaser, (iii) the proposed amount and type of consideration, and terms and conditions of payment for such Shares and (iv) that the proposed purchaser has been informed of the rights provided to the Shareholders in this Section 4.3. No Transfer may be made hereunder for a consideration other than cash.

(b) Upon receipt of the Notice, the Non-Transferring Shareholders shall have the right, for a period of 60 days following the date such Notice is received (or if the KO Shareholders are the Non- Transferring Shareholders, until 15 days after the first meeting of the KO Board of Directors which is held at least 30 days after the date on which the KO Shareholders receive the Notice) (as the case may be, the "Refusal Election Period"), to notify the Transferring Shareholder in writing of the election to purchase all (but not less than all) of the Offered Shares on the terms and conditions set forth in the Notice, with a copy of such election notice to Andina.

(c) If the Non-Transferring Shareholders timely notify the Transferring Shareholder in writing of the election to exercise the right to purchase all (but not less than all) of the Offered Shares, the purchase, sale and Transfer of the Offered Shares shall take place on a date fixed by the Non-Transferring Shareholders which must be a date within 60 days after the receipt of the Notice. The closing of such purchase shall be effected in accordance with Section 4.5.

(d) If the Non-Transferring Shareholders fail to timely notify the Transferring Shareholder in writing of the election to exercise the right to purchase all (but not less than all) of the Offered Shares within the Refusal Election Period or, following notification, the Non Transferring Shareholders shall fail to consummate the purchase of the Offered Shares within the time period set forth in paragraph (c) above (other than a failure to consummate a sale of the Offered Shares which results from the inability or failure of the Transferring Shareholder to transfer good and marketable title to such Offered Shares, a breach by the Transferring Shareholder of this Agreement or otherwise due to circumstances not reasonably within the control of the Non-Transferring Shareholders), then the Transferring Shareholder shall have the right for a period of 90 days after the termination of the Refusal Election Period (or after the earlier waiver by the Non-Transferring Shareholders of the right to purchase), to transfer the Offered Shares to the third party who made the Bona Fide Offer on terms not less favorable to the Transferring Shareholder than the price per share and the other terms and conditions stated in the Bona Fide Offer. If the Transferring Shareholder fails to consummate the transfer of the Offered Shares prior to the expiration of such 90-day period (or earlier period as set forth immediately above), then prior to any subsequent Transfer of any Shares owned by the Transferring Shareholder, the Transferring Shareholder must comply with the terms of this Agreement and the restrictions on transfer shall again be applicable with respect thereto.

(e) The provisions of this Section 4.3 shall not apply with respect to (i) Transfers of Shares by any KO Shareholder in accordance with the provisions of Sections 4.1 (b) or 5.1 of this Agreement, or (ii) Transfers of Shares by the Majority Shareholders in accordance with the provisions of Section 4.1 (c) of this Agreement.

(f) For purposes of this Section 4.3, (i) if the Transferring Shareholder is a Majority Shareholder Party, the term Non-Transferring Shareholder shall be deemed to include only the KO Shareholders and (ii) if the Transferring Shareholder is a KO Shareholder, the term Non-Transferring Shareholder shall be deemed to include only the Majority Shareholder Parties.

4.4 Right of First Offer.

(a) Except as set forth in Section 4.l(b), 4.l(c) or 4.4(f), if a Shareholder proposes to Transfer all or any portion of its Shares (the "Publicly Offered Shares") in a Public Offering or in Brokers Transactions, then such Transferring Shareholder shall give notice (the "Public Sale Notice") of such intention to Transfer the Publicly Offered Shares to the Non-Transferring Shareholders. Such Public Sale Notice shall set forth: (i) the number of Publicly Offered Shares proposed to be Transferred, (ii) the price per Share determined in good faith by the Transferring Shareholder on the date of the Public Sale Notice (the "First Offer Price"), (iii) the planned date of such Transfer, and (iv) any other material proposed terms of the Transfer.

(b) Upon receipt of the Public Sale Notice, the Non-Transferring Shareholders shall have the right, for a period of 60 days following the date such Public Sale Notice is received (or if the KO Shareholders are the Non-Transferring Shareholders, until 1 5 days after the first meeting of the KO Board of Directors which is held at least 30 days after the date on which the KO Shareholders receive the Public Sale Notice), to notify the Transferring Shareholder of the election to purchase the Publicly Offered Shares at the First Offer Price (the "First Notice Period"). The Public Sale Notice shall constitute an offer to the Non-Transferring Shareholders, which shall be irrevocable during the First Notice Period, to sell to the Non-Transferring Shareholders the Publicly Offered Shares upon the terms provided in this Section 4.4 and the Public Sale Notice.

(c) If the Non-Transferring Shareholders timely notify the Transferring Shareholder of the election to exercise the right to purchase the Publicly Offered Shares, the purchase, sale and transfer of the Publicly Offered Shares shall take place on a date fixed by the Non-Transferring Shareholders which must be a date within 60 days after the delivery of the election to purchase such Publicly Offered Shares. The closing of such purchase shall be effected in accordance with Section 4.5.

(d) If the Non-Transferring Shareholders fail to timely notify the Transferring Shareholder of the election to exercise the right to purchase the Publicly Offered Shares within the First Notice Period, or if, following notification, the Non-Transferring Shareholders shall fail to consummate the purchase of the Publicly Offered Shares within the time period set forth in paragraph (c) above (other than a failure to consummate a sale of the Publicly Offered Shares which results from the inability or failure of the Transferring Shareholder to transfer good and marketable title to such Publicly Offered Shares, a breach by the Transferring Shareholder of this Agreement or otherwise due to circumstances not reasonably within the control of the Non-Transferring Shareholders), then the Transferring Shareholder shall have the right for a period of 90 days after the termination of the First Notice Period (or after the earlier waiver by the Non-Transferring Shareholders of the right to purchase), to Transfer the Publicly Offered Shares at a price not less than 90 percent of the First Offer Price (x) in a Public Offering, subject to Section 4.4(e) or (y) in Brokers Transactions. If the Transferring Shareholder fails to consummate the transfer of the Publicly Offered Shares prior to the expiration of such 90-day period (or earlier period as set forth immediately above), then prior to any subsequent Transfer of any portion of the Transferring Shareholder's Shares, the Transferring Shareholder must comply with the terms of this Agreement and the restrictions on transfer shall again be applicable with respect thereto.

(e) If the Transferring Shareholder proposes to Transfer Shares in a Public Offering, as near as reasonably practicable to the date of Transfer the Transferring Shareholder shall give notice to the Non-Transferring Shareholders (the "Second Offer") to sell to the Non-Transferring Shareholders the Publicly Offered Shares at the price per share indicated in good faith and in writing by the lead underwriter or purchaser of such Shares as the estimated offering price therefore (the "Second Offer Price"), provided, however, that no Second Offer need be made if the Second Offer Price would be more than 90 percent of the First Offer Price. Upon receipt of the Second Offer, the Non-Transferring Shareholders shall have the right, for a period of 24 hours (the "Second Notice Period"), to notify the Transferring Shareholder of the election to accept the Second Offer. If the Non-Transferring Shareholders timely notify the Transferring Shareholder of the election to exercise the right to purchase the Publicly Offered Shares, the purchase, sale and transfer of the Publicly Offered Shares shall take place on a date fixed by the Non-Transferring Shareholders which must be a date within 60 days after the receipt of the Second Offer. The closing of such purchase shall be effected in accordance with Section 4.5 . If the Non-Transferring Shareholders fail to timely notify the Transferring Shareholder of the election to exercise the right to purchase the Publicly Offered Shares within the Second Notice Period, or if, following notification, the Non-Transferring Shareholders shall fail to consummate the purchase of the Publicly Offered Shares within the time period set forth in this paragraph (e) (other than a failure to consummate a sale of the Publicly Offered Shares which results from the inability or failure of; he Transferring Shareholder to transfer good and marketable title to such Publicly Offered Shares, a breach by the Transferring Shareholder of this Agreement or otherwise due to circumstances not reasonably within the control of the Non-Transferring Shareholders), then the Transferring Shareholder shall have the right for a period of 90 days after the termination of the Second Notice Period (or after the earlier waiver by the Non-Transferring Shareholders of the right to purchase), to Transfer the Publicly Offered Shares in a Public Offering. If the Transferring Shareholder fails to consummate the transfer of the Publicly Offered Shares prior to the expiration of such 90-day period (or earlier period as set forth immediately above), then prior to any subsequent Transfer of any Shares, the Transferring Shareholder must comply with the terms of this Agreement and the restrictions on transfer shall again be applicable with respect thereto.

(f) The provisions of this Section 4.4 shall not apply with respect to (i) Transfers of Shares by any KO Shareholder in accordance with the provisions of Sections 4.1 (b) or 5 .l of this Agreement, or (ii) Transfers of Shares by the Majority Shareholders in accordance with the provisions of Section 4.1 (c) of this Agreement.

(g) For purposes of this Section 4.4, (i) if the Transferring Shareholder is a Majority Shareholder Party, the term Non-Transferring Shareholder shall be deemed to include only the KO Shareholders and (ii) if the Transferring Shareholder is a KO Shareholder, the term Non-Transferring Shareholder shall be deemed to include only the Majority Shareholder Parties. 4.5 Closing of Purchase. At the closing of any purchase and sale of Shares by the Shareholders pursuant to this Article 4, (i) the Transferring Shareholder shall Transfer to the Non-Transferring Shareholders the certificates or other documents evidencing the Shares being purchased, together with such duly executed assignments separate from such certificates and other documents or instruments reasonably required by counsel for the Non-Transferring Shareholders to consummate such purchase, and (ii) the Non-Transferring Shareholders shall pay the purchase price in cash. In addition, at the closing of such purchase and sale, (x) the Transferring Shareholder shall deliver to the Non-Transferring Shareholders an executed, written representation, in form and substance reasonably satisfactory to legal counsel for the Non-Transferring Shareholders, that the Transferring Shareholder owns the shares of capital stock of Andina free and clear of all liens and encumbrances and that upon the delivery of such shares of capital stock of Andina, the Non-Transferring Shareholders shall be vested with all of the Transferring Shareholder's right, title and interest in such shares of capital stock of Andina and (y) the Non-Transferring Shareholders shall deliver to the Transferring Shareholder such investment representations as may be reasonably requested for securities law purposes.

ARTICLE 5
COVENANTS; REPRESENTATIONS

5.1 Put Right.

(a) Upon the occurrence of a Put Event, the KO Shareholders shall have the right (a "Put Right") t 1 require the Majority Shareholders to purchase all, but not less than all, of the shares of Andina stock owned by them (except as provided in the next sentence) at the Put Price (calculated on a per share basis) as determined in Section 5.l (b). For purposes of this Section 5. I, the Shareholders agree that the

shares of Andina stock subject to the Put Right shall include only the Acquired Shares and any additional shares of Andina capital stock acquired by the KO Shareholders through the exercise of their preemptive rights. The KO Shareholders shall give written notice to the Majority Shareholders of their intention to exercise their Put Right within 15 days after the date of the first meeting of the KO Board of Directors which is held at least 30 days after the date upon which the KO Shareholders receive written notice of the determination of the Put Price pursuant to Section 5.1

(b) Upon the occurrence of a Put Event, at the request of the KO Shareholders, the parties shall cause the Put Price to be determined as follows: (i) If the shares to be purchased by the Majority Shareholders pursuant to the Put Right are shares of Class A Stock, the Put Price for such shares shall be mutually agreed upon by the KO Shareholders and the Majority Shareholders or, if the KO Shareholders and the Majority Shareholders are unable to agree within thirty days after the request by the KO Shareholders for the determination of the Put Price, the Majority Shareholders, on the one hand, and the KO Shareholders, on the other hand, shall each choose an internationally recognized investment banking firm with experience in the analysis of soft drink businesses and each of those two firms within sixty days from the date of their engagement shall prepare an appraisal setting forth its determination of the Put Price. If such two firms do not agree on the Put Price and following such determination the KO Shareholders and the Majority Shareholders continue to be unable to agree upon the Put Price within ten days from the expiration of such 60-day term, the two firms shall, in good faith, select a third investment banking firm, which third firm shall be an internationally recognized firm with experience in the analysis of soft drink businesses. The third investment banking firm so selected shall within forty-five days from the date of its engagement prepare an appraisal setting forth its determination of the Put Price, which determination shall be final and binding on the parties. The cost of such investment banking firm(s) shall be borne equally by the KO Shareholders, on the one hand, and the Majority Shareholders, on the other. The KO Shareholders and the Majority Shareholders shall cooperate fully in selecting investment bankers and shall cooperate fully in their determination of the Put Price. If a party fails to select an investment banker or fails to cooperate with such banker as described herein, in either case, within ten days of receipt of a notice specifying such failure to cooperate from the other party or parties, the other party or parties shall, in good faith, cooperate with the investment banker already retained under the terms of this provision or, if not yet retained, select an investment banking firm of its sole discretion, to make a determination of the Put Price, which determination shall be final and binding on the parties. The parties shall instruct the investment banking firm so retained to deliver its written opinion as to the Put Price to the parties within thirty days following the selection of such banker. The Put Price of the shares of Class A Stock shall be the price that a holder of shares of Class A Stock would receive upon the sale of such shares in a transaction under market conditions between a willing seller and a willing buyer as of the date of the request by the KO Shareholders that the Put Price be determined. (ii) If the Shares to be purchased by the Majority Shareholders pursuant to the Put Right are shares of Common Stock or Class B Stock, the Put Price shall be the Market Value of such shares of Common Stock or Class B Stock. (c) If the KO Shareholders shall for purposes of this Agreement consent in writing to a Put Event, such prior written consent shall be deemed to be a waiver of their Put Right for purposes of the transaction as to which written consent has been given; provided, however, that such written consent shall not be deemed to be a waiver of their Put Right for purposes of any other transaction which might be deemed to constitute a Put Event.

5.2 Deposit Agreement.

(a) Concurrently with the execution of this Agreement and in consideration of the execution and delivery of the parties of this Agreement (including the provisions set forth in Article 4 of this Agreement), the parties hereto are entering into a Stock Purchase Option Agreement and Custody Agreement (the “ Deposit Agreement”) in the form of Exhibit 5.2, pursuant to which the Majority Shareholders are agreeing to provide the KO Shareholders with a call right relating to Shares held by the Majority Shareholders and are agreeing to certain restrictions regarding the transfer of Shares held by the Majority Shareholders.

(b) At least ninety days prior to taking any action with respect to any of the following matters (a “Fundamental Transaction”), the Majority Shareholders will provide the KO Shareholders with written notice of the intent to take such action: (i) the sale of all or substantially all of the assets of Andina; (ii) any reorganization, merger, consolidation, share exchange or business combination involving Andina; (iii) any change in the direct or indirect ownership of the outstanding voting power or equity interests of any of the Majority Shareholders as a result of which the Majority Shareholder Partner Group owns collectively less than 75% of the outstanding voting power or less than 75% of outstanding equity interests of any of the Majority Shareholders; (iv) any change in the direct or indirect ownership of the outstanding voting power or equity interests of Andina as a result of which the Majority Shareholders own in the aggregate less than 50.1% of the outstanding voting power of Andina or less than 25% of the outstanding equity interests of Andina; or (v) a stock split, subdivision, stock dividend, extraordinary dividend or dividends or other reclassification, consolidation or combination of Andina’s voting securities or any similar action or transaction (other than the Amendments).

(c) From the date of any request by the KO Shareholders for the determination of the Call Price (as defined in the Deposit Agreement) until the closing of the purchase of the Callable Shares (as defined in the Deposit Agreement) by the KO Shareholders, the Majority Shareholders agree that they (x) will not take, and will not vote their shares of Andina stock in favor of, any action with respect to any Fundamental Transaction and (y) will cause Andina to carry on its business in the ordinary course.

(d) Each of the Majority Shareholders agrees that it will not convert or exchange, and will not take any action with respect to the conversion or exchange of, any Shares into shares of Class B Stock.

5 .3 Preemptive Rights. The KO Shareholders reserve their rights, to the full extent permitted under applicable Chilean laws and regulations, to maintain their pro rata share ownership of Common Stock, Class A Stock, Class B Stock or other capital stock through the exercise of preemptive rights. If Andina issues additional shares of capital stock to existing shareholders in a preemptive rights offering (a “Preemptive Rights Offering”), the Majority Shareholders agree that they will not vote the Majority Shareholder Shares in

favor of, or permit, the setting of a price for any shares of capital stock which may be offered to third parties (even if such shares are to be acquired in a transfer on a stock exchange) which is lower than the price at which shares of capital stock were offered to the KO Shareholders in the Preemptive Rights Offering without the prior written consent of the holders of the KO Shareholders.

5.4 Provision of Certain Information. The Majority Shareholders agree to cause Andina to provide KO, TCCC Argentina, Interamerican and SPC with the following: (a) such information and calculations as to permit each of them to meet its planning, accounting, tax and regulatory requirements (including the U.S. Foreign Corrupt Practices Act, if applicable, and any similar Chilean laws), and shall conduct its affairs in such manner as to permit each of them to comply with such laws, it being understood that, except to the extent required to comply with such laws, Andina will not be required to change its existing accounting practices;

(b) quarterly unaudited US$ and C$ consolidated financial statements (including net revenues, cost o f goods sold, operating income, cash operating profit and net income) prepared in accordance with Chilean generally accepted accounting principles, consistently applied, as soon as practicable but not later than 90 days after the end of each quarter for 1996 and 1997 ; in 1998 and beyond this information will be provided within 60 days after the end of each quarter;

(c) quarterly physical and unit case sales each categorized into KO and non- KO brands as soon as practicable but not later than 60 days after the end of each quarter;

(d) annual US$ and CS audited consolidated financial statements prepared in accordance with Chilean generally accepted accounting principles, consistently applied, and reconciled to U.S. generally accepted accounting principles, as soon as practicable, but not later than 100 days after the end of each fiscal year;

(e) for Andina and each of its subsidiaries, annual C$ audited financial statements prepared in accordance with Chilean generally accepted accounting principles, consistently applied, and reconciled to U.S. generally accepted accounting principles, as soon as practicable but not later than 100 days after the end of each fiscal year;

(f) copies of the annual tax returns as filed for Andina and each of its subsidiaries as soon as practicable but not later than 120 days after the end of each fiscal year;

(g) US$ and C$ budget (including net revenues, cost of goods sold, operating income, c ash operating profit, net income and unit cases) on a consolidated basis by quarter for the next fiscal year prepared in accordance with Chilean generally accepted accounting principles, consistently applied, on a preliminary basis in October of each year and finalized in December of each year;

(h) US$ and C$ budget (including net revenues, cost of goods sold, operating income, cash operating profit, net income and unit cases) on a consolidated basis by year for the next three fiscal years prepared in accordance with Chilean generally accepted accounting principles, consistently applied, in May of each year;

(i) The actual and budgeted information set forth in Exhibit 5.4(i) in accordance with KO’s regular submission schedule regarding such information (with no more than a one-month submission lag); and

(j) the information set forth in Exhibit 5.4(j) in accordance with KO’s regular submission schedule.

The Majority Shareholders agree to cause Andina to cooperate in providing to KO, TCCC Argentina, Interamerican and SPC on a timely basis such information as they may reasonably request in order to permit KO, TCCC Argentina, Interamerican and/or SPC to reconcile to U.S. generally accepted accounting principles any amounts described above which are prepared in accordance with Chilean generally accepted accounting principles.

5 . 5 License Agreement. Following the Closing, upon the execution and delivery by KO and Andina of a Coca-Co a® trade name license agreement in a form mutually satisfactory to each of KO and Andina (the “License Agreement”) , Andina shall be entitled to change its corporate name to “ Coca-Cola Andina S . A . ,” subject to the terms and conditions of such License Agreement.

5.6 Representations and Warranties. Each party hereto represents and warrants to each other party hereto as follows :

(a) Such party has all requisite power and capacity to enter into and perform its obligations under this Agreement and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement and the performance by such party of its obligations hereunder have been duly authorized by all necessary action on behalf of such party. This Agreement has been duly executed and delivered by such party and constitutes the legal, valid and binding obligation of such party enforceable against such party in accordance with its terms.

(b) The execution, delivery and performance of this Agreement by such party will not result in (i) any conflict with the articles of incorporation, bylaws or other organization documents or trust agreement (in each case, if applicable) of such party, (ii) any breach or violation of or default by such party under any statute, law, rule or regulation of any governmental authority, or any judgment, decree, order or any mortgage, deed o f trust, indenture, agreement or other instrument to which such party is a party or by which any of its assets may be bound, or (iii) except as contemplated hereby, the creation or imposition of any lien or encumbrance on any of such party’s assets or properties or any restriction on the ability of such party to consummate the transactions contemplated by this Agreement.

ARTICLE 6
MISCELLANEOUS

6.1 Effect of Reorganization, Etc The purchase price per Share and similar provisions in this Agreement shall be equitably adjusted to reflect any stock split, subdivision, stock dividend, extraordinary dividend or dividends or other reclassification, consolidation or a

combination of Andina's voting securities or any similar action or transaction (other than the Amendments) which occurs after the date of this Agreement.

6.2 Entire Agreement; Amendment. This Agreement and the Deposit Agreement contain the entire agreement among the parties hereto with respect to the subject matter hereof, and supersedes all prior agreements and negotiations and oral understandings relating to the subject matter hereof; provided that this provision is not intended to abrogate any other written agreement between the parties executed contemporaneously with or after this agreement; and provided further that neither this Agreement nor the Deposit Agreement is intended to amend or modify any of the terms or provisions of any of the bottlers' agreements between KO and Andina or any of the subsidiaries of Andina. In the event of any conflict or inconsistency between the terms of this Agreement or the Deposit Agreement with the terms of any such bottlers' agreements with respect to the subject matter governed by such bottlers' agreements , the terms of such bottlers' agreements shall control . No amendment, modification or alteration of the terms or provisions of this Agreement shall be binding unless the same shall be in writing and duly executed by the parties hereto.

6.3 Successors and Assigns . This Agreement and the rights of a party hereunder may not be assigned, and the obligations of a party hereunder may not be delegated, in whole or in part, without the prior written consent of all other parties hereto, except that the rights and obligations of the KO Shareholders may be assigned or de legated to KO or to any subsidiary of KO, provided that such assignment shall not relieve the assignor of its obligations under this Agreement. This Agreement shall be binding upon and shall inure to the benefit of the parties and their respective successors and permitted assigns .

6.4 Specific Performance . The parties agree that irreparable damage would occur if any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the parties shall be entitled to equitable relief, including in the form of injunctions, in order to enforce specifically the provisions of this Agreement, in addition to any other remedy to which they are entitled at law or in equity.

6.5 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original and all of which shall constitute one and the same instrument.

6.6 Headings. The headings of the sections and paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the interpretation hereof.

6.7 Modification and Waiver. Any rights arising under this Agreement may be waived in writing by the party holding the same. No waiver of any right arising under this Agreement shall be deemed to or shall constitute a waiver of any other right hereunder (whether or not similar).

6.8 Notices. Any notice, request, instruction or other document to be given hereunder by any party hereto to any other party hereto shall be in writing and delivered personally or by telecopy transmission or sent by registered or certified mail or by any express mail service, postage and fees prepaid:

If to Andina: Embotelladora Andina S.A. Avenida Andrés Bello N° 2687 Piso 20, Casilla 7187 Santiago, Chile

Attention: Chief Executive Officer Telefax No . : 562/338/0510.

With copy to: Embotelladora Andina S . A . Avenida Andres Bello N° 2687 Piso 20 Casilla 7187 Santiago, Chile

Attention: General Counsel Telefax No . : 562/338/0570

If to any of the KO Shareholders or to SPC after Closing Date: The Coca-Cola Company

The Coca-Cola Company, One Coca-Cola Plaza, N. W ., Atlanta, Georgia 30313

Attention: Chief Financial Officer Telefax No . : (404) 676-8683.

With copy to: The Coca-Cola Company One Coca-Cola Plaza, N. W . Atlanta, Georgia 30313

Attention: General Counsel Telefax No . : (404) 676-6209

If to SPC prior to the Closing Date: Bottling Investment Limited, Avenida Andrés Bello N° 2687 , Piso 7 Casilla 7187 Santiago, Chile

Attention: General Legal Counsel Telefax No . : 562/338/8138.

If to the Majority Shareholders: Inversiones Freire Ltda., Inversiones Freire Dos Ltda., c/o Portaluppi, Guzman y Bezanilla Huérfanos 863 , Piso 9 Santiago, Chile Attention: Eugenio Guzman Telefax No . : 562/638/3934.

or at such other address or number for a party as shall be specified by like notice . Any notice which is delivered personally or by telecopy transmission or by mail in the manner provided herein shall be deemed to have been duly given to the party to whom it is directed upon actual receipt by such party.

6.9 Legends. Upon the execution of this Agreement, the parties hereto shall cause each and every certificate representing Shares owned by each Shareholder to bear on its face in conspicuous type and in both the English and Spanish languages the following legends : The shares represented by this certificate, including their Transfer and any arrangements or agreements with respect to their voting, are subject to the terms and conditions of Andina's Estatutos Sociales and that certain Shareholders' Agreement dated as of September 5, 1996 by and among certain shareholders of Andina, a copy of which is on file at the main office of Andina. Any sale, assignment, transfer, gift, pledge, encumbrance, or other disposition and any arrangement or agreement with respect to the voting of the shares represented by this certificate not in conformity with said Estatutos Sociales and the Shareholders' Agreement shall, to the full extent permitted under applicable Chilean laws or regulations, be invalid.

If such legends cannot be practically placed on the face of such certificate, such legends shall be set out in conspicuous type on the back of the certificate, and notice thereof shall be given in conspicuous type on the front. The parties hereto agree that each and every

certificate representing shares of capital stock of Andina issued hereafter to each Shareholder or acquired by a Shareholder shall be subject to this Agreement and the stock certificates representing such shares shall have endorsed thereon the above legends . The parties agree to file a copy of this Agreement with Andina, that a notary public will carry out such filing and that Andina may be required by any KO Shareholder to make annotations in the shareholders' registry of Andina regarding this Agreement and the restrictions imposed by shares owned by the Shareholders.

6.10 GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, UNITED STATES OF AM:ERICA, WITHOUT GIVING EFFECT TO THE CONFLICTS OF LAW PRINCIPLES THEREOF.

6.11 Construction. No provision of this Agreement shall be construed against or interpreted to the disadvantage of any party hereto by any court or other governmental authority by reason o f such party's having or being deemed to have structured or drafted such provision.

6.12 No Third-Party Beneficiaries. Except as otherwise specifically provided in this Agreement, nothing in this Agreement is intended to confer upon any person other than the parties hereto any right ; or remedies.

6. 13 Consent to Jurisdiction. (a) Each o f the parties hereby irrevocably consents and agrees that any action, suit or proceeding arising in connection with any disagreement, dispute, controversy or claim arising out of or relating to this Agreement (for purposes of this Section a " Legal Dispute") may be brought to the non-exclusive jurisdiction of the United States District Court for the Southern District of New York, New York, United States of America or, in the event (but only in the event) such court does not have subject matter jurisdiction over such action, suit or proceeding, in the courts of the State of New York sitting in the City of New York, New York, United States of America.

(b) Each of the parties hereby waives, and agrees not to assert, as a defense in any action, suit or proceeding referred to in Section 6.13 (a) that it is not subject thereto or that such action, suit or proceeding may not be brought or is not maintainable in such court or that its property is exempt or immune from execution, that the action, suit or proceeding is brought in an inconvenient forum or that the venue of the action, suit or proceeding is improper. The Majority Shareholders hereby irrevocably appoint CT Corporation System (the " Agent for Service") as its agent to receive on its behalf service of copies of the summons and complaint and any other process which may be served in any such action, suit or proceeding. Such service may be made by mailing or delivering a copy of such process to such Person in case of the Agent for Service at the address of the Agent for Service in the State of New York, United States of America, and the Majority Shareholders hereby irrevocably authorize and direct the Agent for Service to accept such service on its behalf.

(c) Each party hereto agrees that a final judgment in any legal action, suit or proceeding described in this Section 6.13 after the expiration of any period permitted for appeal and subject to any stay during appeal shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

6.14 Translations. This Agreement has been executed, and all amendments, supplements, modifications or replacements hereto shall be made, in the English language. This Agreement may be translated into the Spanish language for convenience of one or more of the parties hereto, provided that in case of discrepancies the English version shall prevail in all cases.

6.15 Other Restrictions . The provisions of this Agreement shall be in addition to and not in lieu of any and all restrictions on the Transfer o f the shares of capital stock of Andina which arise from applicable laws and any other restrictions on Transfers agreed to by or among the parties hereto .

6.16 "Including" . Words of inclusion shall not be construed as terms of limitation herein, so that references to "included" matters shall be regarded as non-exclusive, non-characterizing illustrations.

6.17 References . Whenever reference is made in this Agreement to any Article or Section, such reference shall be deemed to apply to the specified Article or Section of this Agreement.

6.18 Severability. The invalidity or unenforceability of any provision hereof in any jurisdiction will not affect the validity or enforceability of the remainder hereof in that jurisdiction or the validity or enforceability of this Agreement, including that provision, in any other jurisdiction. To the extent permitted by applicable law, each party waves any provision of law that renders any provision hereof prohibited or unenforceable in any respect. If any provision of this Agreement is held to be unenforceable for any reason, it shall be adjusted rather than voided, if possible, in order to achieve the intent of the parties to the extent possible.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day first above written.

EMBOTELLADORA ANDINA S.A.

By:
Name: José Said
Title: Chairman of the Board

By:
Name: José Antonio Garcés
Title: Director

THE COCA-COLA COMPANY

By:
Name: Weldon Johnson
Title: Senior Vice President

COCA-COLA INTERAMERICAN CORPORATION

By:
Name: Weldon Johnson
Title: Senior Vice President

COCA-COLA DE ARGENTINA S.A.

By:
Name: Fernando Marin
Title: Attorney in-fact

BOTTLING INVESTMENT LIMITED

By:
Name: Diego Peralta
Title: Chairman of the Board

INVERSIONES FREIRE LTDA.

By:
Name: José Said
Title: Attorney in-fact

By:
Name: José Antonio Garcés
Title: Attorney in-fact

INVERSIONES FREIRE DOS LTDA.

By:
Name: José Said
Title: Attorney in-fact

By:
Name: José Antonio Garcés
Title: Attorney in-fact

DOC 6 Header

Exhibit 1.5

CALL OPTION AGREEMENT

BY AND BETWEEN

INVERSIONES FREIRE LIMITADA

AND

INVERSIONES FREIRE DOS LIMITADA

AND

COCA-COLA INTERAMERICAN CORPORATION,

COCA-COLA DE ARGENTINA S.A.,

THE COCA-COLA COMPANY,

AND

EMBOTELLADORA ANDINA S.A.

AND

CUSTODY AGREEMENT

BY AND BETWEEN

INVERSIONES FREIRE LIMITADA

AND

INVERSIONES FREIRE DOS LIMITADA

AND

CITIBANK, N.A.

On September 5, 1996, there appeared:

Mr. José Said Saffie and Mr. José Antonio Garcés Silva, on behalf of, as shall be evidenced, Inversiones Freire Limitada (*Freire*) and Inversiones Freire Dos Limitada (*Freire Two*), both together also called the *Optionors* or *Owners* for purposes hereof, all domiciled, for these purposes, at Huérfanos 863, 6th floor, Santiago, Chile;

Mr. Weldon Johnson, on behalf of, as shall be evidenced, The Coca-Cola Company and Coca-Cola Interamerican Corporation; and Mr. Fernando Marín Diaz on behalf of Coca-Cola de Argentina S.A., also together called the *Optionees*, for purposes hereof, all domiciled, for these purposes, at One Coca-Cola Plaza N.W., Atlanta, Georgia;

Mr. Diego Peralta Valenzuela, on behalf of Citibank, N.A., also called the *Custodian*, for purposes hereof, both domiciled, for these purposes, at Avenida Andrés Bello 2687, 7th floor, Santiago, Chile, and

Mr. José Said Saffie and Mr. José Antonio Garcés Silva, on behalf of Embotelladora Andina S.A., also called *Andina* or the *Issuer*, for purposes hereof, all domiciled, for these purposes, at Avenida Andrés Bello 2687, 10th floor, Santiago, Chile.

The parties are of age and agreed to the following:

FIRST: Freire owns on this date a total of 185,701,969 shares in Embotelladora Andina S.A., as certified in certificates 2512, 2514, 2515, 2615, 2639, 3171, 3651, 4564, 4938, 4939, 5488, 10163, 26178 and 26179, registered in its name in the Shareholders Registry of Embotelladora Andina S.A. Freire Two is the owner on this date of a total of 14,300,000 shares in Embotelladora Andina S.A., as certified in certificate 26180, registered in its name in the Shareholders Registry of Embotelladora Andina S.A.

SECOND: Freire and Freire Two have signed a *Shareholders Agreement* on even date herewith to which The Coca-Cola Company, Coca-Cola Interamerican Corporation and Coca-Cola de Argentina S.A. are parties, among others. According to the transactions to be performed under such agreement and other agreements signed on even date herewith, the shares owned by Freire, identified in the first clause above, shall become 185,701,969 Series A shares in Embotelladora Andina S.A. and 185,701,969 Series B shares in Embotelladora Andina S.A., as will be stipulated in the Andina Bylaws after amendments are made thereto that will be proposed to the next Special Shareholders Meeting of Andina (the *Amendments*). Moreover, the shares owned by Freire Dos, identified in the first clause above, will become 14,300,000 Series A shares in Embotelladora Andina S.A. and 14,300,000 Series B shares in Embotelladora Andina S.A. (the *Reclassification*).

For all purposes of this document, the reference to Shares means any of the shares, other securities or options or rights convertible to, or for, any share in Andina or *American Depositary Shares* or other instruments representing Andina shares, whether or not authorized or issued on this date; however, the word *Shares* does not include any Series B share or American Depositary Shares or other instruments representing Series B shares, provided the Series B shares do not have a right to vote that is greater than the voting power established for the Series B shares in the Amendments. The Andina Shares are also called *Option Shares* in some cases.

THIRD: Mr. José Said Saffie and Mr. José Antonio Garcés Silva, on behalf of Freire and Freire Two, hereby definitively and irrevocably grant a purchase option (the *Option*) to The Coca-Cola Company, Coca-Cola Interamerican Corporation and Coca-Cola de Argentina S.A. whereby the Optionors will be obligated, at the option of any one of the Optionees (or of any two thereof or of all together), to sell all (and no less than all) the Shares in Embotelladora Andina S.A. currently owned thereby as well as all (and no less than all) the Shares in

Embotelladora Andina S.A. that Freire and Freire Two acquire in any way subsequent to this date, whether such Shares are acquired from Embotelladora Andina S.A. or from third parties, in the terms, conditions and periods indicated below.

Although all Shares are subject to the Option, the Optionors may dispose and transfer a part of their Shares provided those Shares represent surpluses above any and all of:

(i) 200,000,000 Shares owned by the Optionors;
(ii) the number of Shares representing 50.1% of the voting Shares in Andina and of all the voting power of all of Andina's Shares; and
(iii) 25% of all issued shares of Andina.

In any case, this right will only exist as long as the share structure of the Series A and B Shares stipulated in the Amendments remains the same and the Optionors are in full compliance with the *Shareholders Agreement* (in particular the rules in Article 4 thereof). Accordingly, the Shares that may be transferred according to this paragraph will not be subject to the prohibition in the Ninth Clause or to custody pursuant to the Eleventh Clause hereof, provided all conditions stipulated in this same paragraph are met; and they will always be subject to the Option.

FOURTH: It is expressly stipulated that in the event of a split of Embotelladora Andina S.A., the Option also extends to all shares in the new company or companies formed because of the split that would correspond to the Optionors as owners of Shares in a divided Andina. It is further expressly stipulated that in the event of a merger of Embotelladora Andina S.A., the Option extends to the shares in the surviving company or in the new company that is formed that replace the shares in Embotelladora Andina S.A. that corresponded to the Optionors. Freire and Freire Two shall refrain from voting their Andina Shares at any Andina shareholders meeting held to amend the bylaws of Andina or to approve any reorganization, sale of assets, reclassification, exchange, combination or consolidation of Andina's securities, merger, dissolution, issuance or sale of securities or any other action, provided any of the foregoing events has the effect of impeding or attempting to impede compliance with any of the provisions herein. Freire and Freire Two shall always collaborate in good faith to comply with all terms and to adopt all actions that are necessary or appropriate to protecting the rights of The Coca-Cola Company, Coca-Cola Interamerican Corporation and Coca-Cola de Argentina S.A. hereunder against dilutions or obstacles.

FIFTH: The Option may be exercised as of this date, at any time on or before December 21, 2130, always provided one or more of the following events occurs (hereinafter the *Strike Conditions*): (i) any change in the direct or indirect ownership of the interests or rights or shares of any one of the Optionors, i.e., Freire and Freire Two, so that the Optionor Controlling Group (as this phrase is defined below) owns together less than 75% of the rights or interests or shares or less than 75% of the voting shares or of the total voting power in any one of the Optionors; (ii) any change in the Shares issued by Andina or in the ownership of Andina Shares (either because of transfers, sales, reorganization, merger, exchange of shares or otherwise) that results in the Optionors owning less than 50.1% of the voting Andina shares or of all of the voting power of Andina Shares (save written authorization of The Coca-Cola Company for purposes hereof or unless that percentage of 50.1% decreases because of a Share purchase or an assignment of rights of first refusal to subscribe Shares, both with the Optionees or their Authorized Successors, that results directly in a decrease in the voting Shares owned by Freire and/or Freire Two; however, in that case, the obligation to maintain a certain level of ownership of Shares shall continue regarding the new percentage of Shares owned by the Optionors after the approved transaction) or less than 25% of all of the issued shares of Andina; (iii) the sale of all or substantially all the assets of Andina; or (iv) any event occurs that allows The Coca-Cola Company to terminate one or more of such Andina bottler's agreements early because of a default by Andina (including its subsidiaries) or of a change in control as

stipulated in Andina bottler's agreements (including bottler's agreements to which one or more of its subsidiaries is a party) that represent at least 30% of the total unit case volume of Coca-Cola products produced by Andina (including its subsidiaries) during the 12 preceding months, regardless of whether The Coca-Cola Company decides to exercise the rights under one or more of such bottler's agreements.

Once any of the Strike Conditions occurs, the Optionors shall send written notice to the Optionees, who shall decide to begin the Option Strike Process no later than 180 calendar days after receipt of the notice by the Optionors. Failure to give such notice shall not imply any default by the Optionors since sending a notice has been stipulated solely to calculate the aforesaid period of 180 days. Failure to send the notice shall also not prevent the Optionees from beginning the Option Strike Process if they learn of the event in another way. The fact that the Optionees have decided not to strike the Option, even though one or more of the aforesaid Strike Conditions take place on one or more occasions, will not be any impediment to the Optionees beginning the Option Strike Process (as defined below) should one or more of the aforesaid Strike Conditions be present on a future occasion.

For these purposes, *Optionor Controllers* means the persons indicated in Appendix A hereto, who are today listed as *Beneficial Owners* in Form 13-G of the Securities and Exchange Commission (SEC) of the United States of America according to the securities regulations of that country. This Appendix is deemed a part of this Agreement for all legal purposes.

Optionor Controlling Group shall mean: (a) any of the Optionor Controllers; (b) any of the spouses of the Optionor Controllers; (c) any of the direct descendants of any one of the Optionor Controllers; (d) any person who receives shares or interests in the Optionors as an *ab intestato* successor of any of the persons indicated in letters (a) and (b) above or of a person who has previously received shares in the Optionors as an *ab intestate* successor in the manner indicated in this letter (d), if at the decedent's time of death, he had no spouse or direct descendant; (e) any of the wholly-owned subsidiaries of one or more of the persons indicated above; and (f) any trust established to the benefit of any one of the persons indicated in letters (a), (b), (c) and (d) above, provided one or more of such persons have total control of the voting rights and investment decisions of that trust's assets.

Wholly-Owned Subsidiary of a person shall mean an entity whose interests, equity or shares or other equity instruments thereof are wholly owned directly or indirectly by such person (except for a minority interest not exceeding 1%, if said minority interest is required according to the law governing the respective entity).

The period during which the Option can be exercised is estimated by the parties as the most adequate to the intention motivating them to execute this Option Agreement, taking into account, *inter alia*, that this agreement is made in direct relation to the agreements adopted by the parties in the aforesaid Shareholders Agreement, which is a continuing agreement; to the fact that Andina is a continuing company as it is a stock corporation; and to the fact that the agreed duration of the future Series A and B Shares in Andina ends December 31, 2130.

The Optionor Controllers will include a stipulation on the existence of this Agreement and the Option contained herein in the by-laws of each of the Optionors.

SIXTH: The strike price of this Option will be determined using the following procedure (the *Option Strike Process*):

(a) The price will be determined by mutual consent of the parties and failing consent, the price will be equal to the Appraisal Value of such Shares following the procedure indicated in letter (b) below;

(b) For purposes of this sixth clause, the **Appraisal Value** of the Optionors' Andina Shares will be the amount in dollars of the United States of America that the Optionors would receive from the sale of their Andina Shares in an arm's length transaction between a willing buyer and a willing seller as of the date of notice of calculation of the Appraisal Value. The Appraisal Value will be initially agreed by mutual consent of the parties and if they are unable to reach an agreement within 30 calendar days, it may be agreed by the parties based on the determinations made by two internationally renowned investment banks, one selected by each of the parties. Each of the parties shall choose an internationally renowned investment bank experienced in the appraisal of the non-alcoholic beverage business. Each of the selected investment banks will prepare an appraisal based on which the Appraisal Value shall be determined. The cost of such investment banks will be paid in equal proportions by the Optionors and the Optionees. The Optionors shall cooperate fully in retaining an investment bank and in calculating the Appraisal Value. If any one of the parties does not cooperate in the manner described herein, the non-defaulting party shall, within 10 calendar days after receiving written notice of that party's non-cooperation, cooperate in good faith with the investment bank or banks already retained according to the terms of this provision; or if the bank that should have been chosen by one of the parties has not been chosen, then the non-defaulting party will have the right to choose that investment bank. The investment banks ultimately retained will be instructed to deliver their appraisal in writing to the parties within 60 calendar days after they have been retained. As majority shareholders in Andina, the Optionors will adopt the resolutions, measures and actions necessary to cause Andina to cooperate with the investment banks and, in general, with such appraisal process. If the parties do not reach a price agreement within 10 calendar days after expiration of the aforesaid 60-calendar-day period, the investment banks shall, at the request of any of the parties, appoint a third investment bank that meets the same conditions of prestige and experience and they shall, for account of the parties, entrust determination of the Appraisal Value thereto within 45 calendar days. Said bank will deliver a written report to the parties on its calculation of the Appraisal Value. The costs and cooperation required for the work of the third investment bank will abide by the stipulations in this paragraph. The analysis by the three investment banks must always take into account Andina's bottler's agreements, considering the franchises granted in such agreements to be in effect (even though one or more of those bottler's agreements has terminated under the circumstances indicated in Section 5.iv hereof). The Appraisal Value mutually agreed upon by the parties or established in a written opinion of the third investment bank will be hereinafter called *Appraisal*;

(c) The Optionors may, within 10 days following the date of the notice of the Appraisal Value by the third investment bank, notify each of the Optionees that the event or Strike Condition has been voided and that all the effects and consequences thereof have been reversed and things have returned to their state prior to such occurrence (this will not apply if the Strike Condition in Section 5.(iv) of this Agreement has resulted in termination of the bottler's agreements therein mentioned as termination of such agreements may not be reversed by the Optionors). In that circumstance, the Optionees shall consider the Option Strike Process under way to have ended (and all costs of the investments banks will be paid by the Optionors). If the Optionors are unable to comply in the period of 10 days indicated herein but have the intention of voiding the event behind the Strike Condition, they shall give written notice to the Optionees of their decision and they shall consummate such termination extraordinarily (with all the aforesaid effects) in the period ending when the last of the following events occurs: (i) 50 calendar days have passed from the date of notice of the Appraisal Value by the third investment bank; or (ii) 10 days from written notice by the Optionees of their decision to strike the call Option. The Optionees may exercise the Option if the Option Strike Process is not interrupted in the aforesaid manner in the period of 120 calendar days after receipt of the notice of the Appraisal Value from the third investment bank. If the Optionees do not exercise the Option in the aforesaid period of 120 calendar days, their right to exercise the Option as part of the respective Option Strike Process shall expire.

The formalities for exercise of the Option are stipulated in the next clause.

SEVENTH: The Option Shares may be acquired by any one of The Coca-Cola Company, Coca-Cola Interamerican Corporation or Coca-Cola de Argentina S.A. or by any two thereof or by all thereof together or by any wholly-owned subsidiary of any of the Optionees (hereinafter the *Authorized Successors*) in the proportions freely indicated by any thereof.

In order to exercise the Option, any one of the Optionees or Authorized Successors thereof or any two thereof or all thereof together shall send a written statement to the Optionors' representative indicating their intent to exercise the Option, issued by a representative with sufficient authority. It shall be sent to the Optionors' address indicated in the preamble hereof. The instrument or instruments containing the sale of the Shares shall be attached to such statement, which must have been signed by the respective legal representative of the Optionors and sent to the person who signed the statement on behalf of the Optionees or their Authorized Successors within five days (from the date of receipt by the Optionors' representative).

Simultaneous to the return of the instrument containing the sale of the shares, (i) the Optionors shall deliver to the respective Optionees the documents or instruments requested by the Optionees' attorney to consummate the purchase of the Option Shares, including the certificates of Shares, if in their possession; the certificates of Shares that are in custody will be delivered to the Optionees by the Custodian discussed in the eleventh clause hereof and in accordance with the terms therein stipulated; and (ii) the respective Optionees shall pay the purchase price in cash. The Optionors shall also deliver a signed written statement to the respective Optionee, or, as applicable, to each of the respective Optionees, in form and substance reasonably satisfactory to the Optionees' legal counsel, stipulating that the Optionors are owners of the Option Shares, that the Option Shares meet the conditions indicated in the tenth clause hereof and that all rights, title and interest in such Andina shares shall be vested with the respective Optionees upon delivery of the Option Shares.

EIGHTH: The Option stipulated in the previous clauses shall end, with no liability for any of the parties, should any one of the following events occur:

(a) The Optionees or Authorized Successors thereof transfer Andina Shares to third parties (other than their subsidiaries) and such transfer results directly in making the Optionees owners of less than 23,500,000 common Shares prior to the Reclassification or 23,500,000 Series A Shares in Andina (or successor Shares of those Shares or of common shares, if the Series A ceases to exist);

(b) As a consequence of capital increases in Andina, the Optionees become owners of less than 4% of the common Shares prior to the Reclassification or of 23,500,000 Series A Shares in Andina (or of successor Shares of those Shares or of common Shares, if the Series A ceases to exist);

(c) The bottler's agreements indicated in numeral (iv) of the Fifth Clause are terminated by Andina as a direct result of a default thereon by The Coca-Cola Company or The Coca-Cola Company or refuses, for no good reason, to negotiate the renewal of such bottler's agreements;

(d) The Shareholders Agreement indicated in the second clause hereof does not enter into effect; or

(e) The bottler's agreements indicated in numeral (iv) of the Fifth clause hereof are definitively terminated by The Coca-Cola Company, unless the Option Strike Process has begun in a period of one year from the date of termination of such bottler's agreements. In this latter case, this agreement shall continue in full force until one or more of the Optionees exercise the Option and become owner of the Shares or the

period of 120 calendar days elapses pursuant to Section 6(c) hereof without any written notice being given of the decision to exercise the Option.

NINTH: Freire and Freire Two hereby undertake irrevocably and unconditionally not to encumber and/or convey in any way the Shares in Embotelladora Andina S.A. held now or in the future thereby during the term of this Agreement, except as specifically mentioned herein. This stipulation is made in favor of The Coca-Cola Company, Coca-Cola Interamerican Corporation and Coca-Cola de Argentina S.A. and is accepted by the aforesaid representative thereof. This prohibition will be registered in Andina's Shareholders Registry. Andina must certify this fact to the Custodian as well as any eventual full or partial release thereof.

It is expressly stipulated that Freire and Freire Two may make transfers of Andina Shares to Wholly-Owned Subsidiaries thereof (the *Permitted Assigns*) always provided: (i) all Shares transferred to a Permitted Assign remain subject to the provisions hereof; and (ii) such Permitted Assign agrees in writing to abide by the provisions hereof. Any Permitted Assign who ceases to be a Wholly-Owned Subsidiary of one of the Optionors must transfer all Shares owned thereby at that time to the Optionors or to another Permitted Assign of the Optionors.

TENTH: The Option Shares shall be sold, assigned and transferred free of any lien, real rights other than ownership rights, prohibition, attachment, litigation, resolutory conditions, shareholders agreements and shall be fully paid to the issuer or to the respective assigns. The Optionors shall be jointly and severally liable for the clearing of title pursuant to law. The foregoing is without prejudice to the liens, prohibitions or restrictions authorized by The Coca-Cola Company or established in favor of The Coca-Cola Company, Coca-Cola Interamerican Corporation and/or Coca-Cola de Argentina S.A. or of the parent companies thereof, directly or indirectly, or the Authorized Successors thereof, in particular without prejudice to the restrictions on the free transfer of Shares stipulated in the Shareholders Agreement signed by the Optionors on even date herewith to which Freire, Freire Two, Andina, Andina Bottling Investment Limited and the Optionees are parties.

ELEVENTH: Mr. José Said Saffie and Mr. José Antonio Garcés Silva, on behalf of Freire Limitada and Inversiones Freire Dos Limitada, also called the *Owners*, and Mr. Diego Peralta Valenzuela, on behalf of Citibank, N.A., also called the *Custodian*, hereby enter into a custody agreement regarding the Shares in the Option conferred herein and all such Shares to which such Option extends in accordance with the preceding clauses. This custody agreement is to be fulfilled in the Republic of Chile. For these purposes, the Owners hereby make material delivery to the Custodian of the certificates containing all the Shares identified in the first clause owned thereby, which are received by Citibank N.A. in custody. Therefore, they are under the responsibility thereof. However, the Custodian will not be liable for any loss or damage that is the result of circumstances or causes beyond its control, including, without limitation, nationalization, expropriation, acts of war, terrorism, insurrection, revolution, civil revolts, protests or strikes by employees other than the Custodian's employees or force majeure.

This Custody Agreement shall be abide by the following terms:

(a) If there is, for any reason, an exchange, swap or replacement of any or all of the certificates of Shares received in custody, the Custodian is amply empowered, by way of irrevocable power of attorney, to exchange and withdraw the new certificates of Shares issued for such purpose in the name of the Owners, under prior instructions of one or more of the Owners or of the Optionees. All such Shares shall be subject to this custody agreement. On an exceptional basis, once the common Shares in Andina have been exchanged for Series A and Series B shares, the Custodian shall immediately make such exchange on behalf of the Owners and once that is complete, the Owners are automatically authorized to

withdraw all Series B Share certificates from the Custodian. The other Andina Shares of the Owners will be left in custody.

(b) Should new Shares in Embotelladora Andina S.A. be subscribed by the Owners, the Custodian is amply empowered, by way of irrevocable power of attorney, to withdraw the certificates of Shares subscribed in the name of the Owners, under prior instructions of one or more of the Owners or of the Optionees. All such Shares shall be subject to this custody agreement. In the event of a split of Embotelladora Andina S.A., the Custodian is amply empowered, by way of irrevocable power of attorney, to withdraw in the name of the Owners, under prior instructions of one or more of the Owners or Optionees, the certificates of Shares in the new company or companies formed that correspond thereto as owners of Andina Shares. All such Shares shall be subject to this custody agreement. Furthermore, in the event of a merger of Embotelladora Andina S.A., the Custodian is amply empowered, by way of irrevocable power of attorney, to withdraw in the name of the Owners, under prior instructions of one or more of the Owners or of the Optionees, the certificates of Shares in the surviving company or in the new company that is formed that substitute for the Shares in Embotelladora Andina S.A. corresponding thereto. All such Shares shall be subject to this custody agreement.

(c) This custody agreement shall also extend to certain Shares in Embotelladora Andina S.A. acquired by the Owners from third parties other than Embotelladora Andina S.A. In that case, said Owners shall immediately deliver the respective certificates to the Custodian.

(d) The Custodian will be obligated to receive and keep the certificates to be kept in custody and to keep them in its custody indefinitely. It may not return them to the Owners unless they present an authorization by public deed issued by a sufficiently authorized representative of one or more of the Optionees. Notwithstanding the foregoing, the Custodian undertakes to deliver each and every one of the certificates in custody to The Coca-Cola Company, Coca-Cola lnteramerican Corporation and Coca-Cola de Argentina S.A. upon mere request of any one thereof, who shall, for such purpose, simply make delivery thereto of a written statement in which any one thereof asserts that a Strike Condition has occurred, that an Option Strike Process has begun, that the Appraisal has been determined (indicating the amount thereof) and that it has irrevocably decided to exercise the call Option stipulated herein.

The Custodian shall give prompt notice to the Optionors that the certificates of Andina Shares have been delivered.

(e) The Custodian undertakes to report from time to time (quarterly) to The Coca-Cola Company, Coca-Cola lnteramerican Corporation and Coca-Cola de Argentina S.A. on the certificates of the Owners' Shares that are in its custody according to this Agreement and to give prompt notice thereto of each notice that it receives from the Owners pursuant to this clause. The execution of this Custody Agreement does not imply any limitation of the Owners' rights as holders of the Shares hereunder other than the rights to encumber and convey such shares. In other words, the Owners may freely collect and receive dividends, vote at shareholders meetings according to the terms hereof, subscribe capital increases and assign options to subscribe Shares in capital increases without the Bank's intervention or the Optionees' authorization.

(f) The Custodian shall deliver the Option Shares to the Optionors if this agreement is terminated pursuant to the eighth clause hereof, provided it receives a letter confirming that fact, signed by the Optionees' legal representative.

(g) The Custodian may, in fulfilling its obligations of Custodian hereunder, act only, and it is hereby authorized to rely and act, upon Instructions, which means instructions from any Authorized Person (as defined below) received by the Custodian in the manner indicated for each case herein, provided:

(i) the Instructions remain in force until they are implemented, cancelled or superseded;

(ii) if, in the Custodian's judgment, the Instructions are unclear and/or ambiguous, the Custodian shall make its best efforts to obtain clarification thereof. If it does not obtain such clarification in a prudent period of time, the Custodian may, at its reasonable discretion, without any type of liability, refuse to follow such Instructions until any ambiguity has been overcome to its satisfaction;

(iii) the Instructions are fulfilled according to the rules, operating procedures and market practices in the place where they must be implemented and they may be implemented by the Custodian only during business days and hours when the respective financial markets are open to the public. The Custodian may also refuse to implement Instructions that, in its opinion, are contrary to any applicable law, regulation or rule, whether imposed by government authorities or by self-regulated entities. It must give notice thereof to the Owners and to the Optionees;

(iv) The Custodian has the right to rely on the permanent authority of any Authorized Person until it is notified otherwise by the Owners or the Optionees, as the case may be; and

(v) *Authorized Person* or *Authorized Persons* means any officer, employee or agent of the Owners or the Optionees, as the case may be, who has been authorized by written notice to the Custodian to act on behalf of the Owners or the Optionees in fulfilling any acts, proceedings or obligations in accordance with this agreement.

(h) The Owners and Optionees shall indemnify the Custodian and any and all of the appointees or agents thereof and shall hold them harmless regarding all costs, liabilities and expenses, including, without limitation, attorneys' fees and disbursements arising directly or indirectly from execution by the Custodian, its appointees or agents of the Instructions that they believe, in good faith, to have been given by Authorized Persons.

The foregoing notwithstanding, neither the Custodian nor its appointees or agents will be indemnified for any damage caused by their own negligence.

(i) The Owners shall pay the Custodian the fees stipulated in the Fee Schedule hereto (the *Schedule*) for the services rendered under this agreement. Such Schedule is deemed an integral part hereof upon signature by the parties.

The timing of payment and form of calculation of the fees are indicated in such Schedule. The Owners hereby authorize the Custodian to debit any of their current accounts for the amounts of fees accrued at the time when such fees must be paid. For this purpose, the Owners undertake to keep the necessary funds available in their current accounts to make that payment. The fees payable to the Custodian will be assessed by Value-Added Tax (VAT) prevailing on the date of invoicing, which will be payable by the Owners. The Custodian shall issue, upon payment of such fees, the corresponding invoice to the Owners for the amount of the fees paid for the period in question. The Owners shall also be liable for any tax that may be assessable on such fees in the future and, in general, on the services hereunder.

The Optionees expressly accept the stipulations in their favor and to their benefit made by the Owners and the Custodian in this Eleventh clause. The Optionees shall therefore have the right to demand performance of the obligations assumed by the Owners and the Custodian. The Owners, the Custodian

and the Optionees further agree and accept that the stipulations in this custody agreement are naturally irrevocable.

In any case, the Owners and Optionees may agree in writing to the early termination of this custody agreement.

TWELFTH: The notarial expenses assessed on this Agreement will be paid in equal proportions by the Optionors and the Optionees.

THIRTEENTH: Should any dispute arise in relation to this Agreement or its amendments, either in regard to interpretation, performance, enforceability, termination or otherwise, that is not resolved by voluntary agreement of the parties, such dispute shall be finally resolved by arbitration according to this clause. In the event of a dispute, any of the parties may at any time deliver written notice to the other party stating its intent to submit such dispute to arbitration. The notifying party will have the right to submit the dispute directly to arbitration in a period of fifteen (15) to forty-five (45) days after receipt of such notice. The party submitting the dispute to arbitration shall promptly deliver a written notice to the other party. Any and all other disputes that may arise for any reason among the parties as a result of this agreement, including, but not limited to, disputes relative to its validity, binding effect, interpretation and performance (including the venue of the arbitrator) shall be resolved by arbitrators who shall render a decision according to the rules of law (arbiters) and shall be empowered to act as often as required. There will be no appeal or legal remedy against the ruling by arbitrators. Save agreement otherwise by the parties, the arbitrators may freely determine the procedure to follow during arbitration (they shall proceed as conciliators). The dispute or conflict submitted to arbitration shall be decided by three arbitrators. Each party must select one arbitrator and the third arbitrator will be selected by the two arbitrators selected by the parties. Arbitral decisions shall be adopted by a simple majority of the members of such arbitral court. Should any of the parties fail to appoint its arbitrator within 10 days following notice of the request for arbitration by the other party or should the two arbitrators chosen by the parties fail to appoint the third arbitrator within 10 days after the day of their appointment, the arbitrator pending appointment shall be appointed following the system established by the Arbitration Center of the Santiago Chamber of Commerce, from among the list of member arbitrators. Such appointment must fall upon an attorney. The arbitrators must have a full command of the English language. The arbitral court shall sit in Santiago, Republic of Chile.

The above procedure will be repeated as often as necessary until the three arbitrators have been appointed or their replacements, should any such arbitrators be disqualified. Said arbitrators shall render a final solution to the disputes.

FOURTEENTH: This agreement may be modified in whole or in part only by a written document signed by the parties. A failure by any of the parties to exercise any right stipulated herein shall not be deemed an implicit or explicit waiver of such right. Any and all waivers of a right must be set down in writing and must be executed by the party in favor of whom that right is established.

FIFTEENTH: Any and all notices, requests, claims or other correspondence between the parties or the notices stipulated herein shall be made in writing and delivered by messenger or by registered or certified mail, postage prepaid, addressed to the recipients at the addresses indicated below or to such other addresses that the recipients indicate in written notices to the parties hereto. Each notice given in this way shall take effect upon receipt. A notice will be deemed given upon delivery by messenger or 5 days after having been deposited by certified mail, return receipt requested, unless the recipient demonstrates that it has not received it or that it was received at a later date.

If to the Optionors:

Inversiones Freire Limitada
To the attention of: Portaluppi, Guzmán y Bezanilla
Huerfanos 863, 9th floor
Santiago
Fax 56-2-638-3934

with copy to:
Embotelladora Andina S.A.
Avenida Andrés Bello 2687, 20th floor
P.O. Box 7187
Santiago, Chile
To the attention of: Executive Vice-President
Fax: 56-2-338-0510

If to any of the Optionees:

The Coca-Cola Company
One Coca-Cola Plaza, N.W.
Atlanta, Georgia 30313
U.S.A.
To the attention of: Chief Financial Officer
Fax: (404) 676-8683

with a copy to:
The Coca-Cola Company
One Coca-Cola Plaza, N.W.
Atlanta, Georgia 30313
U.S.A.
To the attention of: General Counsel
Fax: (404) 676-6209

If to the Custodian:

Citibank N.A.
Avenida Andrés Bello 2687, 7th floor
P.O. Box 2125
Santiago, Chile
To the attention of: Transaction Banking Head
Fax: 56-2-338-8138

SIXTEENTH: The parties agree that they have been advised by Chilean attorneys in the signature of this agreement, that they understand the legal doctrine on the option agreement and therefore declare that it is their understanding and conviction that this agreement is valid and enforceable according to its terms, pursuant to Chilean law.

The parties further agree that nothing stipulated herein is intended to amend, or shall have the effect of in any way amending, the terms and provisions of the bottler's agreements between The Coca-Cola Company and Andina and any of their subsidiaries or affiliates. In the event of any discrepancy between this agreement and

such bottler's agreements, the terms and provisions of the latter shall prevail in regard to the rights and obligations contained in such bottler's agreements.

SEVENTEENTH: Present in this act are Mr. José Said Saffie and Mr. José Antonio Garcés Silva, on behalf of, as shall be evidenced, Embotelladora Andina S.A., who declare that they have been duly informed of the stipulations contained herein for all pertinent legal purposes.

EIGHTEENTH: Six counterparts of this Agreement have been executed of one same text and date, one remaining in possession of each of the parties.

FEE SCHEDULE

A. The Owners shall pay the following fees to the Custodian for the services rendered under the Custody Agreement:

The Owners shall pay a fixed fee for Custody service that will be equal to US$20,000 (twenty thousand American dollars), plus a fee that will be determined on the basis of the amount deposited in Custody at the close of each month. A rate of 0.02% (two per thousand) will be applicable on the average amount of assets deposited in custody, limited to US$20,000 (twenty thousand American dollars).

The portfolio in custody at the close of each month will be appraised using the share closing price reported by the Santiago Stock Exchange.

B. Such fees are payable monthly in arrears, within the first 10 business days following the month when the services are rendered. The Custodian shall, for that purpose, advise the Owners of the amounts accrued within the first five business days of each month.

C. The fee payable to the Custodian will be assessed by Value-Added Tax (VAT) prevailing on the invoice date, which will be payable by the Owners.

The Owners shall also be liable for any tax that may be assessed on such fees in the future and, in general, on the services hereunder.

D. The fees will be payable in Chilean Pesos. The Observed dollar exchange rate prevailing on the closing date of each period will be used for those purposes.

The same number of counterparts has been executed as the master document to which this schedule is an accessory.

September 5, 1996

José Said Saffie
José Antonio Garcés Silva
Inversiones Freire Limitada

José Said Saffie
José Antonio Garcés Silva
Inversiones Freire Dos Limitada

José Said Saffie
José Antonio Garcés Silva
Embotelladora Andina S.A.

Weldon Johnson
The Coca-Cola Company

Weldon Johnson
Coca-Cola Interamerican Corporation

Fernando Marín Díaz
Coca-Cola de Argentina S.A.

Diego Peralta Valenzuela
Citibank, N.A.

AMENDMENT TO

CALL OPTION AGREEMENT

AND

CUSTODY AGREEMENT

On December 17, 1996, there appeared:

Mr. José Said Saffie and Mr. José Antonio Garcés Silva, on behalf of Inversiones Freire Limitada (*Freire*) and Inversiones Freire Dos Limitada (*Freire Two*), both together also called the *Optionors* or the *Owners*, for purposes hereof, all domiciled, for these purposes, at Huérfanos 862, 6th floor, Santiago, Chile;

Mr. Rodrigo Romero Cabezas, on behalf of The Coca-Cola Company, Coca-Cola Interamerican Corporation and Coca-Cola de Argentina S.A., also together called the *Optionees,* for purposes hereof, all domiciled, for these purposes, at One Coca-Cola Plaza, N.W. Atlanta, Georgia, United States of America;

Mr. Francisco León Délano, on behalf of CITIBANK, N.A., also called the *Custodian* for purposes hereof, both domiciled, for these purposes, at Avenida Andrés Bello 2687, 7th floor, Santiago, Chile; and

Mr. José Said Saffie and Mr. José Antonio Garcés Silva, on behalf of Embotelladora Andina S.A., also called *Andina* or the *Issuer*, for the purposes hereof, all domiciled, for these purposes, at Avenida Andrés Bello 2687, 20th floor, Santiago, Chile,

who agree to the following:

FIRST: On September 5, 1996, the companies indicated in the preamble signed a Call Option Agreement and a Custody Agreement and now the parties intend to make certain amendments to those agreements in the terms set out herein.

SECOND: The parties, duly represented by the persons indicated at the beginning hereof, agree to amend the aforesaid Call Option Agreement in the following terms:

Section Eight (a) and (b) of the Option Agreement is amended, replacing such letters by the following:

“(a) If the Optionees or the Authorized Successors thereof transfer Andina Shares to third parties (other than their subsidiaries) and the direct result of such transfer is, within 30 days following the sale, that the Optionees or Authorized Successors thereof or subsidiaries thereof become owners, taken together, of (i) less than 15,660,000 common Shares before the Reclassification is made (or if the Reclassification has been made and an event occurs subsequent thereto as a result of which only common shares in Andina exist); or (ii) less than 15,660,000 Series A Shares in Andina, if the Reclassification has been made and the Andina Series A Shares continue to be issued and outstanding;

“(b) If the Optionors give written notice to the Optionees that the aggregate of the Andina Shares owned by the Optionees, the Authorized Successors thereof and the subsidiaries thereof has decreased to less than (i) 4% of the common Shares in Andina, if the Reclassification has not been made (or if the Reclassification has been

made and an event occurs subsequent thereto as a result of which there are only common Shares in Andina); or (ii) 4% of the Series A Shares in Andina, if the Reclassification has been made and the Series A Shares continue to be issued and outstanding. However, this event of termination will only apply if the Optionees, their Authorized Successors and subsidiaries do not increase as a whole the number of shares they own in Andina to at least 4% within one year following the date of receipt of such written notice."

THIRD: The parties, duly represented by the persons indicated at the beginning hereof, agree to amend the aforesaid Custody Agreement in the following terms: letters A, B and C of the Fee Schedule are replaced by the following:

A. The Owners shall pay the following fee to the Custodian for the services rendered under the Custody Agreement:

"The Owners shall pay a fee that will be determined on the basis of the value of the shares in Custody at the close of each month. A rate of 0.02% (two per thousand) shall be applied on the average market value of the shares in custody, limited to an aggregate of US$10,000 (ten thousand United States of America dollars) annually.

"The portfolio in custody will be appraised at the close of each month using the share closing price reported by the Santiago Stock Exchange

B. Such fee is payable monthly in arrears, within the first 10 business days following the month when the services are rendered. The Custodian shall, for that purpose, advise the Owners of the amounts accrued within the first five business days of each month.

C. The fee payable to the Custodian will be assessed by Value-Added Tax (VAT) prevailing on the invoice date, which will be payable by the Owners.

"The Owners shall also be liable for any tax that may be assessed on such fee in the future and, in general, on the services hereunder."

FOURTH: All other parts of the Call Option Agreement and Custody Agreement indicated above remain unchanged and in full force.

José Said Saffie
José Antonio Garcés Silva
Inversiones Freire Limitada

Rodrigo Romero
The Coca-Cola Company

José Said Saffie
José Antonio Garcés Silva
Inversiones Freire Dos Limitada

Rodrigo Romero
Coca-Cola Interamerican Corporation

José Said Saffie
José Antonio Garcés Silva
Embotelladora Andina S.A.

Rodrigo Romero
Coca-Cola de Argentina S.A.

Francisco León Délano
Citibank, N.A.

José Said Saffie
José Antonio Garcés Silva
Inversiones Freire Limitada

Weldon Johnson
The Coca-Cola Company

José Said Saffie
José Antonio Garcés Silva
Inversiones Freire Dos Limitada

Weldon Johnson
Coca-Cola Interamerican Corporation

José Said Saffie
José Antonio Garcés Silva
Embotelladora Andina S.A.

Fernando Marín Díaz
Coca-Cola de Argentina S.A.

Diego Peralta Valenzuela
Citibank, N.A.

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EXHIBIT 8.1

LIST OF SUBSIDIARIES

Subsidiaries	Jurisdiction
Embotelladora Andina Chile S.A.	Chile
Andina Inversiones Societarias S.A.	Chile
Andina Bottling Investments Dos S.A.	Chile
Andina Bottling Investments S.A.	Chile
Servicios Multivending Ltda.	Chile
Transportes Andina Refrescos Ltda.	Chile
Rio de Janeiro Refrescos Ltda.	Brazil
Embotelladora del Atlántico S.A.	Argentina
Abisa Corp.	British Virgin Islands

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EXHIBIT 12.1

CERTIFICATION

I, Miguel Ángel Peirano R., certify that:

1. I have reviewed this annual report on Form 20-F of Embotelladora Andina S.A.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4. The company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles in Chile;

   (c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors:

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

April 30, 2012

/s/ Miguel Ángel Peirano
Miguel Ángel Peirano
Chief Executive Officer

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EXHIBIT 12.2

CERTIFICATION

I, Andrés Wainer A., certify that:

1. I have reviewed this annual report on Form 20-F of Embotelladora Andina S.A.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4. The company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles in Chile;

   c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors:

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

April 30, 2012

/s/ Andrés Wainer
Andrés Wainer
Chief Financial Officer

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EXHIBIT 13.1

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350, AS
ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Embotelladora Andina S.A (the "Company") on Form 20-F for the fiscal year ended December 31, 2011, as filed with the U.S. Securities and Exchange Commission on the date hereof (the "Report"), I, Miguel Ángel Peirano, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/MIGUEL ÁNGEL PEIRANO
Miguel Ángel Peirano
Chief Executive Officer
Embotelladora Andina S.A.
Dated: April 30, 2012

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

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EXHIBIT 13.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Embotelladora Andina S.A. (the "Company") on Form 20-F for the fiscal year ended December 31, 2011, as filed with the U.S. Securities and Exchange Commission on the date hereof (the "Report"), I, Andrés Wainer, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ ANDRÉS WAINER
Andrés Wainer
Chief Financial Officer
Embotelladora Andina S.A.
Dated: April 30, 2012

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.