



*Embotelladora Andina*

2010 annual report





## our company

Deeds of Incorporation and General Information	4
Consolidated Financial Highlights	6
History	8
Company Structure	10
Corporate Governance	11
Board of Directors	14
Company Ownership	16
Dividends	17

## our business

Chile	20
Brazil	24
Argentina	28
<b>Other Operations in Chile</b>	<b>33</b>
Additional Information	37
Employees and Capital Expenditures	42
Properties and Facilities	43
Main Clients	44
Main Suppliers	45
Subsidiaries and Related Companies	48

## others

Controlling Group	54
Share Trading Information	57
Stock Market Trading Information	58
Compensation - Board of Directors and Principal Officers	60
Statement of Responsibility	62

## our results

Consolidated Financial Statements	65
Summarized Financial Statements of Subsidiaries	126





our company





## deeds of incorporation

Embotelladora Andina S.A. is an open stock corporation, incorporated by means of a public deed dated February 7, 1946, before the Notary Public of Santiago, Mr. Luciano Hiriart Corvalán. An abstract of the Company's bylaws is registered on page 768, N° 581 of the Santiago Registry of Commerce of 1946, and was published in the Official Daily Newspaper issue N° 20,413 dated March 25, 1946. The Chilean Treasury Department, upon Decree N° 1,364 of March 13, 1946, which is registered on page 770 N° 582 of the Santiago Registry of Commerce of 1946, approved the Company's bylaws, authorized its creation, and declared it duly incorporated. The latest amendment to the Company's bylaws was approved at the extraordinary Shareholders' Meeting held September 30, 1996. The minutes thereof were brought into a public deed dated October 17, 1996 before the Notary Public of Santiago Mr. Armando Ulloa Contreras. An abstract thereof is registered on page 26,514 N° 20,529 of the Santiago Registry of Commerce of 1996, and was published in the Official Daily Newspaper issue N° 35,598 dated October 24, 1996, and later rectified on October 28, 1996 in the Official Daily Newspaper issue N° 35,601.

## general information

Embotelladora Andina is among the ten largest Coca-Cola bottlers in the world, servicing franchised territories with 36 million people, delivering over 7.6 million liters of soft drinks, juices, and bottled waters on a daily basis. The Company is controlled in equal parts by the Garcés Silva, Hurtado Berger, Said Handal and Said Somavía families. The Company has the franchise to produce and commercialize Coca-Cola products in certain territories of Chile, Brazil and Argentina.

**CHILE**

Embotelladora Andina S.A.  
RUT: 91.144.000-8

Corporate Office:  
Av. El Golf 40, 4th Floor,  
Las Condes, Santiago  
Telephone: (56-2) 338 0520  
Fax: (56-2) 338 0530  
[www.embotelladoraandina.com](http://www.embotelladoraandina.com)

Bottling Facility:  
Av. Carlos Valdovinos 560, San Joaquín, Santiago  
Telephone: (56-2) 550 9434

**BRAZIL**

Rio de Janeiro Refrescos Ltda.  
Rua Andre Rocha 2299, Taquara,  
Jacarepaguá, Rio de Janeiro  
Telephone: (55-21) 2429 1530

**ARGENTINA**

Embotelladora del Atlántico S.A.  
Ruta Nacional 19 - Km 3.7, Córdoba  
Telephone: (54-351) 496 8888

**CHILE**  
Región Metropolitana,  
San Antonio, Cachapoal  
Extension: 24 thousand Km<sup>2</sup>  
Population: 7.6 million  
Clients: 46 thousand

**ARGENTINA**

Mendoza, San Juan, San Luis, Córdoba,  
Santa Fe, Entre Ríos  
Extension: 692 thousand Km<sup>2</sup>  
Population: 10.8 million  
Clients: 48 thousand

**BRAZIL**

Rio de Janeiro, Espírito Santo  
Extension: 90 thousand Km<sup>2</sup>  
Population: 17.3 million  
Clients: 68 thousand



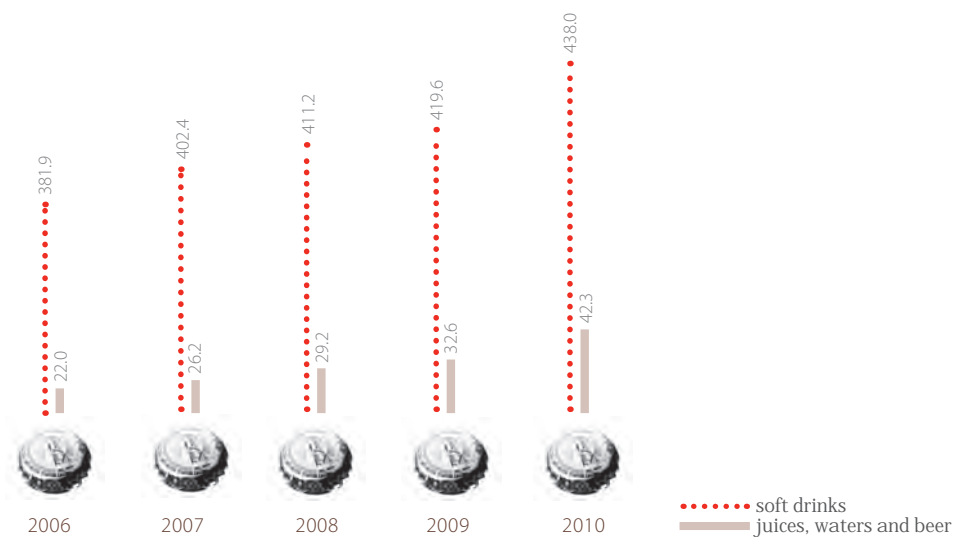


## consolidated financial highlights

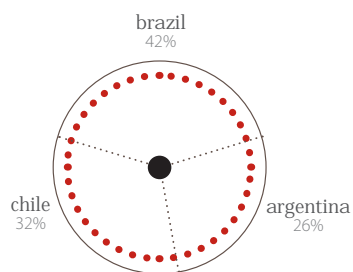
	IFRS			Chilean GAAP <sup>1</sup>		
(million nominal Chilean pesos, except for closing share price)	2010	2009		2008	2007	2006
Net Sales	888,714	785,845		847,301	636,689	546,732
Operating Income	149,234	133,123		138,677	115,494	95,196
Net Income	103,600	97,985		94,836	81,602	74,355
EBITDA	186,248	169,929		176,734	144,642	124,750
Total Assets	695,206	648,945		602,957	540,428	513,599
Financial Debt	83,219	77,418		86,257	85,326	109,345
Shareholders' Equity	394,865	373,558		346,249	281,149	274,733
Closing Share Price Andina A (Ch\$)	1,920	1,440		1,175	1,340	1,399
Closing Share Price Andina B (Ch\$)	2,369	1,737		1,425	1,440	1,513
Closing ADR Price AKO A (US\$)	23.80	16.82		10.52	16.75	15.49
Closing ADR Price AKO B (US\$)	30.20	20.49		13.72	18.80	16.93

<sup>1</sup>Chilean GAAP figures are also expressed in nominal Chilean pesos of each year.

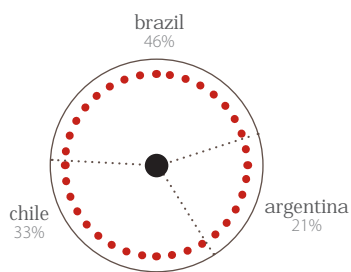




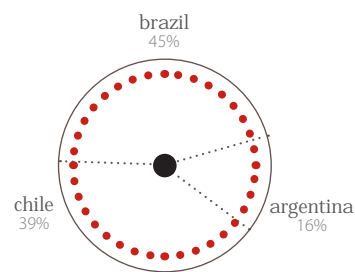
sales volume evolution<sup>1</sup>  
(million unit cases)



sales volume <sup>1</sup>  
(480 million unit cases)



net sales  
(US\$1,742 million)



ebitda  
(US\$365 million)

<sup>1</sup>Includes soft drinks, waters, juices and others sold only in Andina's franchise.



**'40** In 1946 Embotelladora Andina is established with the license to produce and distribute Coca-Cola products in Chile. Transition from the individual bottle towards the 24-bottle case (today known as "unit case").

**'60** The San Joaquín Plant is inaugurated in Santiago. The Company acquires a 45% ownership interest in Embotelladora Concepción.

**'70** In 1974 the Company acquires an additional 46% in Embotelladora Concepción.

## history



In 1975 the Company acquires a 34% ownership interest in Embotelladora Talca. In 1978 Termas Mineral de Chanqueahue and the brand Agua Mineral Vital are purchased. The Company increases to 80% its ownership interest in Embotelladora Talca. The Journalism Award is established with the spirit of recognizing the journalist who stands out for the ethical and professional quality of his job. In 1979 operations begin at the Chanqueahue Vital production facility in Rengo and Embotelladora Concepción in Temuco.

**'80** Launch of the PET non-returnable 2 lt bottle. In 1981 the plastishield format is introduced in Chile, the most modern non-

returnable format in the world. Launch of diet soft drinks, TAB and Sprite Light. In 1982 Andina sells its ownership interest in Embotelladora Talca and Embotelladora Concepción to Sociedad de Inversiones Williamson. In 1984 launch of Diet Coca-Cola. In 1985 Inversiones Freire acquires control over Andina. In 1986 sale of the bottling facility in Viña del Mar.

**'90** In 1991 Envases Multipack in the packaging business begins operations. In 1992 Vital is born and dedicated to the business of juices and mineral waters in Chile. Andina acquires a minority ownership in INTI, a Coca-Cola product bottling company in Córdoba, Argentina. In 1994 placement of 7,076,700 American Depositary Receipts (ADRs) on the NYSE, collecting US\$127 million. Entrance to the Brazilian market begins with the acquisition of Rio de Janeiro Refrescos, bottling company located in the city of Rio de Janeiro, with a bottling facility in Jacarepaguá. In

1995 Envases Central begins operations. Greater presence in the Argentine market with the acquisition of Embotelladora del Atlántico, controller of the Coca-Cola bottling facilities for the franchises of Rosario and Mendoza. In 1996 a 49% ownership interest of Vital is sold to The Coca-Cola Company along with the brands: Kapo, Andina and Vital. Expansion into Argentina continues, acquiring an additional 36% ownership interest in Embotelladora del Atlántico (EDASA), an additional 79% in INTI (today merged with EDASA), 100% of Complejo Industrial PET in Buenos Aires (dedicated to the packaging business),



and a 15% of Cican, a Coca-Cola product canning facility. The Coca-Cola Company enters into Andina's ownership with an 11% stake. In **1997** stock split creating series A & B shares. An additional 5% stake in EDASA is acquired. US\$350 million issue in Yankee Bonds in tranches of 10, 30, and 100 years. In **1998** Andina repurchases the 49% stake that The Coca-Cola Company held in Vital but The Coca-Cola Company remains with ownership of all brands. In **1999** inauguration of the Montecristo production facility in Córdoba, Argentina.

**2000** Acquisition of the Brazilian Coca-Cola bottler for Niteroi, Vitoria and Governador Valadares. In **2001** Joint Venture between Multipack and Crowpla creating the new company Envases CMF for the packaging business. Andina issues UF 7,000,000 in bonds (7 and 25 years). Tender Offer for the partial repurchase of bonds issued in the US market. In **2002** EDASA concentrates all productive operations at the Montecristo production facility in Córdoba and shuts down the Mendoza and Rosario plants. In **2003** EDASA takes control over CIPET. Andina is awarded the "Carlos Vial Espantoso" award, which distinguishes the most relevant Chilean company in terms of labor relations and with more dedication to human capital. In **2004** franchise swap between Rio de Janeiro Refrescos and a subsidiary of The

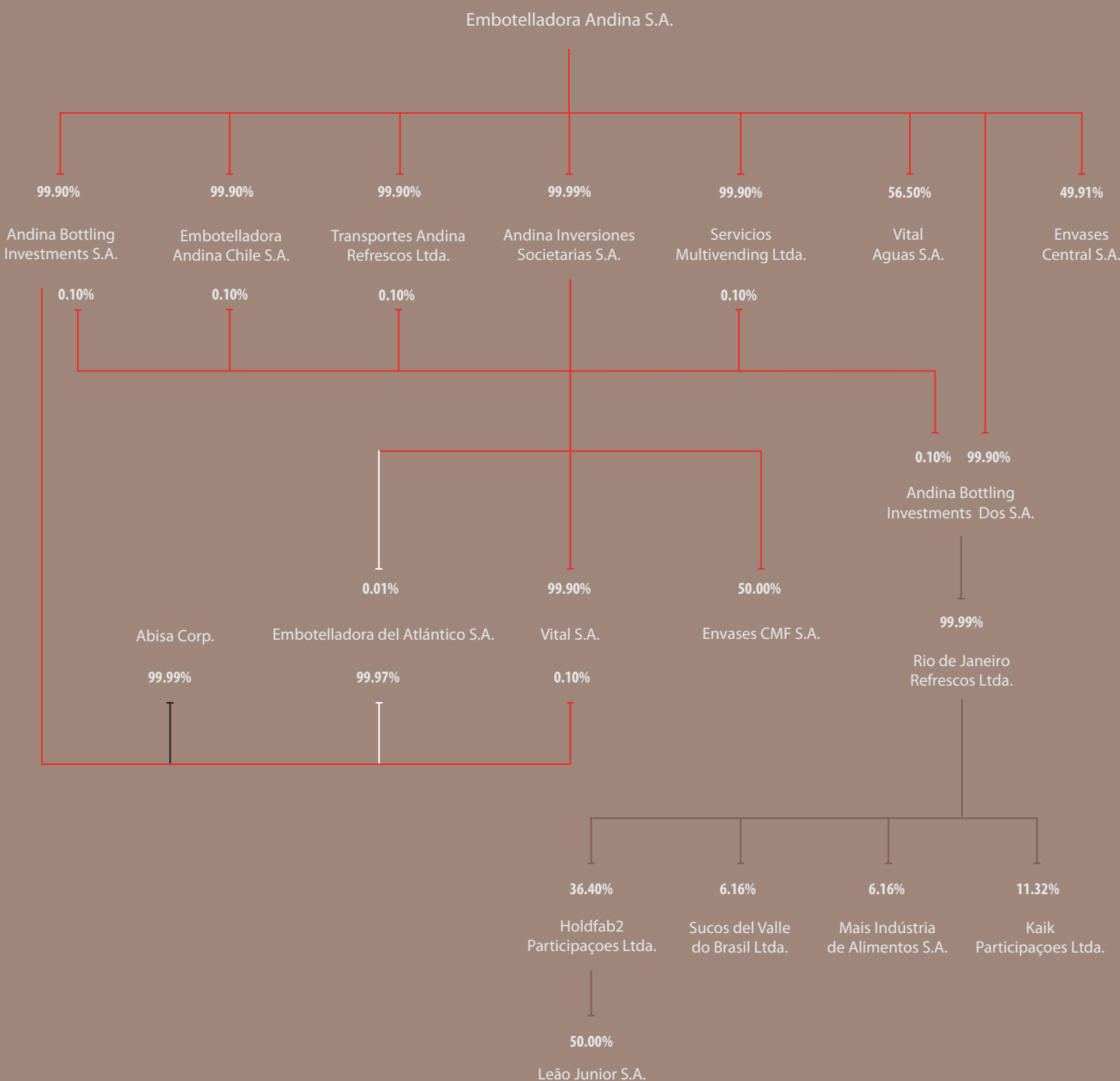
Coca-Cola Company in the State of Minas Gerais for the franchise of Nova Iguaçu located in the State of Rio de Janeiro. Series B shares of Andina become eligible as investment instruments for the Chilean Pension Funds (Series A shares have always been eligible investment instruments). In **2005** Vital is divided into two companies, creating Vital Aguas. Hence, Vital exclusively develops the juice and other non carbonated beverage business and Vital Aguas, along with the

other Coca-Cola bottlers in Chile develops the water business. In **2006** the Company obtains the 2005 National Award for Quality and Competitiveness, distinction given by the Presidency of the Republic of Chile. Andina is the first company in the mass consumption sector to obtain this award. In **2007** Andina inaugurates Maipú and Puente Alto Distribution Centers in Santiago. The Coca-Cola Company 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. In **2008** Andina incorporates the Benedictino brand to its water portfolio in Chile. Acquisition in Brazil through the Mais joint venture of the Sucos del Valle brand, leader in the juice segment in this market. In **2009** Andina commemorates its 15th Anniversary of listing on The New York Stock Exchange.

In Argentina we received the National Award for Quality, the highest recognition granted to private companies and public organizations. In **2010** Andina significantly increases production and distribution capacity in the three franchises.

company structure



Chile  
Brazil  
Argentina  
British Virgin Islands



Andina's management is controlled by a Board of Directors<sup>1</sup>, whose members are proposed and elected every three years during the General Annual Shareholders' Meeting. Board members are elected by separate voting of the Series A and Series B shareholders as follows: Series A shares elect six Directors and their respective alternates, and Series B shares elect one Director and its respective alternate.<sup>2</sup> The Directors may or may not be shareholders, and will hold their offices for three years with the possibility to be re-elected for an indefinite number of periods.<sup>3</sup>

Even though the Company has not established a formal process that allows its shareholders to communicate with the directors, shareholders desiring to do so may manifest their opinions, considerations or recommendations before or during the Shareholders' Meeting which will be heard and attended by the Chairman of the Board, or by the Chief Executive Officer of the Company, and any such recommendations will be

submitted for the consideration of shareholders in attendance during the Meeting.

Andina has not defined a formal policy with respect to the attendance of the directors at the Meeting, but it is customary for them to attend voluntarily. Likewise, Andina does not have a policy that is different from what is required by Chilean Law with respect to the nomination of a shareholder as a candidate to be a member of the Board of Directors

of the Company. Consequently, any interested shareholder may attend a Meeting to propose a specific candidate as director when an election is to take place.

In accordance with Chilean Law, Andina is not required to have a Directors' Nominating Committee, as in other countries.

Further information regarding Corporate Governance matters and the difference with U.S. standards are included in our 20F Form filed with the SEC every year, and on our website [www.embotelladoraandina.com](http://www.embotelladoraandina.com).

## corporate governance

<sup>1</sup>For the period ended December 31, 2010, the Board of Directors incurred in Ch\$ 676.2 million for advisory expenses, primarily related to the strategic review of the Company and the exploration of new markets.

<sup>2</sup>In the event of a vacancy of a Director, 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 may appoint a replacement to fill the vacancy for the remaining period, and the entire Board must be elected or re-elected at the next regularly scheduled shareholders' meeting.

<sup>3</sup>In the case of Series A shares, in the event that there is 100% shareholder vote participation, it is necessary to have 14.29% of the total shares in order to elect a director of this Series. In the case of Series B shares, in the event that there is 100% shareholder vote participation, it is necessary to hold 50.1% of the total shares to elect a director.



## 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 the Extraordinary Board Session N°1031 held April 14, 2009. It is also comprised by the Chairman of the Board, Mr. Juan Claro González and by the Chief Executive Officer, Mr. Jaime García Rioseco, who participate by own right. This Committee meets permanently throughout the year and normally holds three or four monthly sessions.

## directors' committee<sup>1</sup>

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 2010, following the same categorization of faculties and responsibilities established by Article 50 bis of Company Law N°18,046 were the following:

- To 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 2010 these matters were addressed during Sessions: N°81 on January 26; N°84 on April 27; N°85 On May 25; N°87 on July 27; and N°90 on October 21.

- To 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°83 on March 30, 2010.

- Examine information regarding the operations referred to by Title XVI and report on these operations. For detailed information regarding these operations, please refer to the table on Note 12 of the Consolidated Financial Statements included in this annual report.

In 2010 these matters were addressed during Sessions: N°81 on January 26; N°82 on February 23; N°83 on March 30; N°84 on April 27; N°85 on May 25; and N°86 on June 29.

- Examine salary and compensation plans for Managers and Principal Officers.

In 2010 this matter was addressed during Sessions N°91 on November 30 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. This matter was addressed during Session N°84 on April 27, 2010.

- All other matters required by company bylaws or that may be required by the Shareholders' Meeting or by the Board of Directors. The following matters were addressed during 2010:

- Review anonymous reports: During Sessions: N°81 on January 26; N°82 on February 23; N°83 on March 30; N°84 on April 27; N°85 on May 25; N°86 on June 29; N°87 on July 27; N°88 on August 23; N°89 on September 28; N°90 on October 21; N°91 on November 30; and N°92 on December 21.
- Review and approve Annual Report: Session N°83 on March 30.
- Review and approve 20F: Session N°86 on June 29.
- Review contingencies: During Sessions N°88 on August 23 and N°89 on September 28.
- Review and approve updated text of the Audit Committee Charter: Session N°85 on May 25.
- Integrated Audit Plan and Limited Review: Session N°91 on November 30.
- Fullfill Rule 404 of the Sarbanes-Oxley Act: Session N°86 on June 29.

## **sarbanes-oxley audit committee<sup>2</sup>**

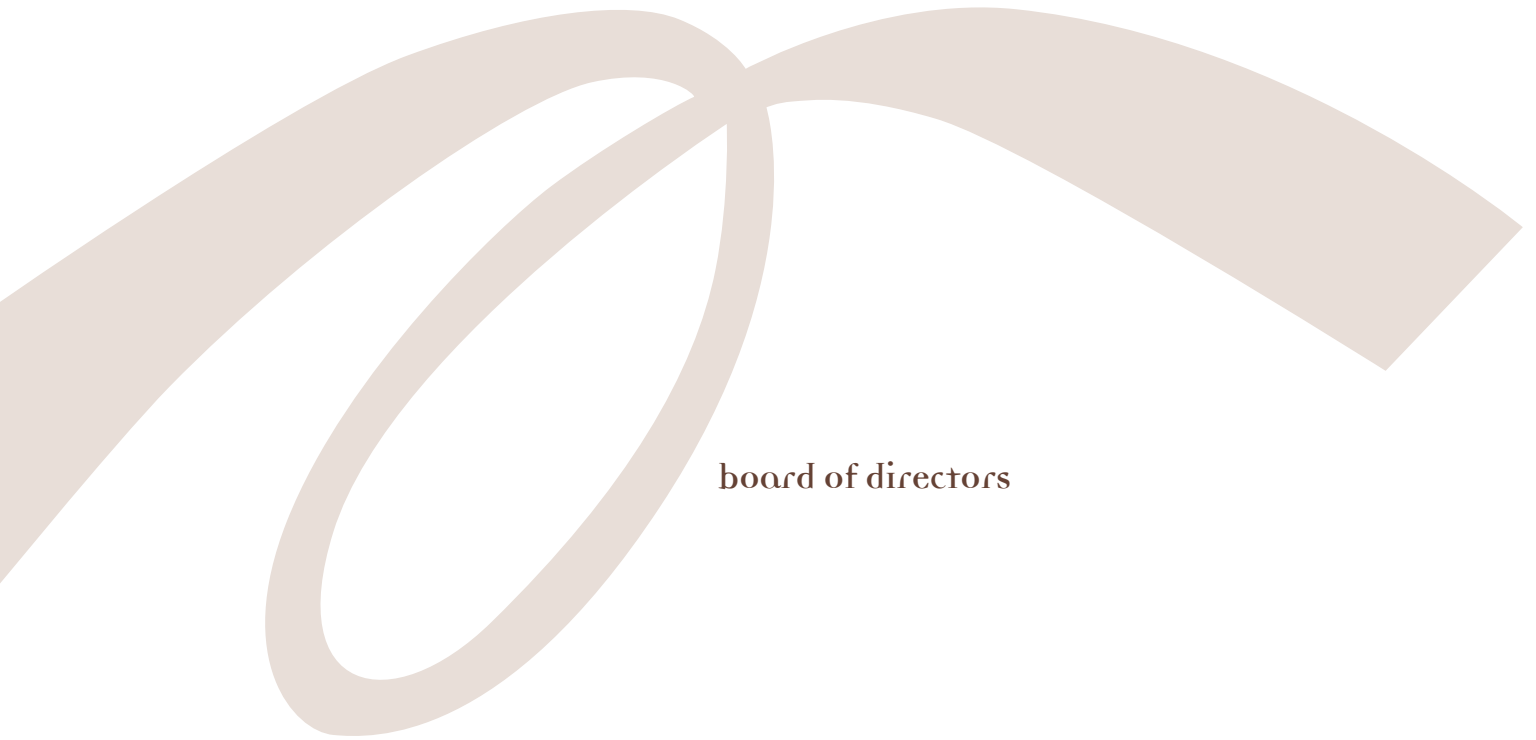
In accordance with NYSE and SEC requirements regarding compliance with the Sarbanes-Oxley Act, the Board of Directors established the first Audit Committee on July 26, 2005. This Audit Committee is renewed every year. During Board Session N°1042 dated January 26, 2010, Mr. Heriberto Urzúa Sánchez, Mr. 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.

<sup>1</sup>The main expenses incurred by the Directors' Committee have been those resulting from advisories related to the evaluation of alternatives in accordance with IAS for specific Company transactions. During 2010 these expenses amounted to Ch\$12.0 million.

<sup>2</sup>The main expenses incurred by the Audit Committee have been those resulting from advisories related to the review of the implementation of IAS. During 2010 these expenses amounted to Ch\$32.9 million.



## board of directors

### directors

JUAN CLARO  
Chairman of the Board  
Entrepreneur  
RUT: 5.663.828-8

JOSÉ ANTONIO GARCÉS  
Vice-Chairman of the Board  
Commercial Engineer  
RUT: 8.745.864-4

ARTURO MAJLIS  
Director  
Attorney at Law  
RUT: 6.998.727-3

### alternate directors

ERNESTO BERTELSEN  
Commercial Engineer  
RUT: 5.108.564-7

PATRICIO PARODI  
Commercial Engineer  
RUT: 8.661.203-8

CRISTIÁN ALLIENDE  
Civil Engineer  
RUT: 6.379.873-8







**GONZALO SAID**

Director  
Commercial Engineer  
RUT: 6.555.478-K

**SALVADOR SAID**

Director  
Commercial Engineer  
RUT: 6.379.626-3

**BRIAN J. SMITH**

Director  
Bachelor of Arts and MBA  
Foreign citizen

**HERIBERTO URZÚA**

Director  
Commercial Engineer  
RUT: 6.666.825-8

**JOSÉ MARÍA EYZAGUIRRE**

Attorney at Law  
RUT: 7.011.679-0

**JOSÉ DOMINGO ELUCHANS**

Attorney at Law  
RUT: 6.474.632-4

**JORGE HURTADO**

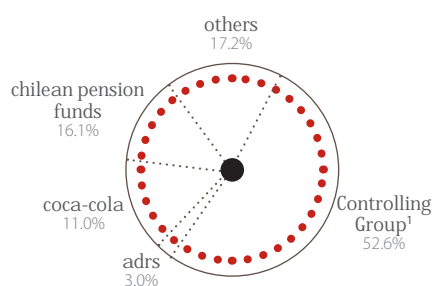
Civil Engineer  
RUT: 5.200.545-0

**GONZALO PAROT**

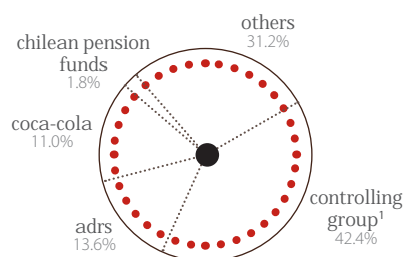
Industrial Civil Engineer  
RUT: 6.703.799-5



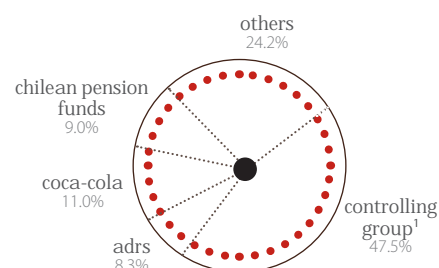
## company ownership



Series A



Series B



total

Main Twelve Shareholders	Series A	Series B	Total Shares	Ownership
Inversiones Freire Ltda. <sup>2</sup>	185,706,603	-	185,706,603	24.4%
Coca-Cola de Chile S.A.	40,552,802	40,552,802	81,105,604	10.7%
The Bank of New York Mellon	11,405,448	51,688,026	63,093,474	8.3%
Inversiones Mar Adentro Ltda. <sup>2</sup>	-	38,978,263	38,978,263	5.1%
Inversiones SH Seis Ltda. <sup>2</sup>	-	37,864,863	37,864,863	5.0%
Banco Santander - on behalf of third parties	26,174,225	6,540,582	32,714,807	4.3%
Inversiones Caburga S.A. <sup>2</sup>	-	32,000,000	32,000,000	4.2%
Inversiones Nueva Sofia S.A. <sup>2</sup>	-	25,678,583	25,678,583	3.4%
AFP BBVA Provida S.A.	18,829,629	5,432,860	24,262,489	3.2%
Larrain Vial S.A. Corredora de Bolsa - on behalf of third parties	6,444,141	14,973,633	21,417,774	2.8%
Banco de Chile - on behalf of third parties	2,950,674	15,895,709	18,846,383	2.5%
AFP Habitat S.A.	18,017,899	-	18,017,899	2.4%

<sup>1</sup>See description of Controlling Group on page 54

<sup>2</sup>Related to Controlling Group



## dividends

The dividend distribution policy has consisted of paying out a percentage not lower than 30% of the Company's earnings for the period, through quarterly interim dividends and one final dividend payable in April of the following year. Also, since the year 2000 the Company has paid out every year an additional dividend based on available excess cash at the end of each period, which is previously approved at the General Shareholders' Meeting.

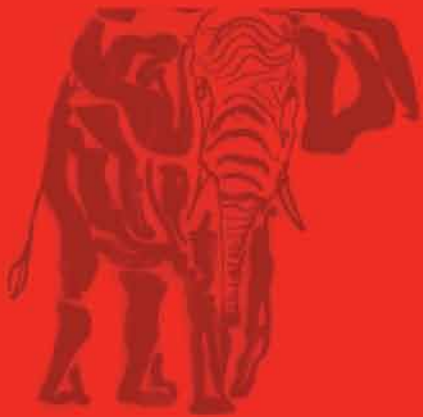
Total dividends distributed and charged to earnings for the year 2010 would represent 30% of Company earnings if the General Shareholders' Meeting, to be held during the month of April of 2011, approves a final dividend of Ch\$13.44 for Series A shares and Ch\$14.784 for Series B shares. During 2010 Distributable Earnings were equal to Net Income.

Series A and Series B shares are mainly differentiated by their voting and economic rights. Holders of Series B shares are entitled to an additional dividend that is 10% greater than any dividend given to Series A shares.

Dividends 2010		Series A <sup>1</sup>	Series B <sup>1</sup>	Total Paid <sup>2</sup>
January	Interim	7.00	7.70	5,588
April	Final	11.70	12.87	9,340
May	Additional	50.00	55.00	39,914
July	Interim	8.50	9.35	6,785
October	Interim	8.50	9.35	6,785
<b>Total 2010</b>		<b>85.70</b>	<b>94.27</b>	<b>68,413</b>
<b>Total 2009</b>		<b>77.84</b>	<b>85.62</b>	<b>62,138</b>

<sup>1</sup>Ch\$ per share

<sup>2</sup>Million nominal Ch\$





our business

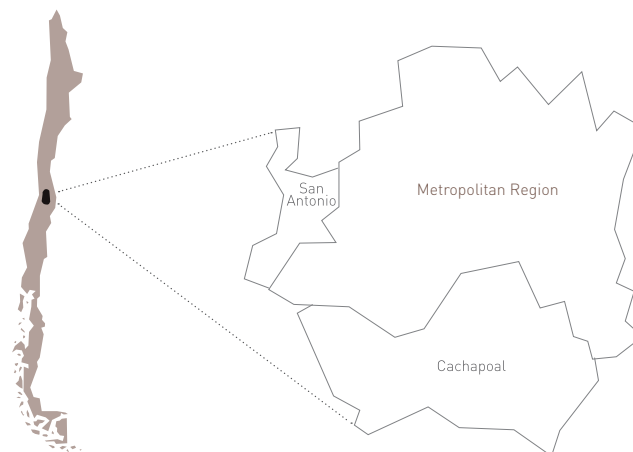




*Embotelladora Andina*

**CHILE**


Total Sales Volume<sup>1</sup>  
 152.6 MUCs  
 Soft Drinks  
 132.6 MUCs  
 Juices & Others  
 10.7 MUCs  
 Waters  
 9.3 MUCs  
 Total Annual Per Capita Consumption<sup>2</sup>  
 482 - 8 oz. bottles  
 Soft Drinks  
 419 - 8 oz. bottles  
 Juices & Others  
 34 - 8 oz. bottles  
 Waters  
 29 - 8 oz. bottles  
 Total Market Share<sup>3</sup>  
 62.0%  
 Soft Drinks  
 69.1%  
 Juices & Others  
 34.8%  
 Waters  
 35.6%  
 Operating Income  
 US\$112.6 million  
 EBITDA  
 US\$143.9 million



<sup>1</sup>Includes soft drinks, waters, juices & others sold only in Andina's franchise.

<sup>2</sup>Includes soft drinks, waters, juices & others.

<sup>3</sup>Includes soft drinks, waters, juices & others. Source: A.C. Nielsen.



Embotelladora Andina produces and distributes the following products licensed by The Coca-Cola Company: Coca-Cola, Coca-Cola Light, Coca-Cola Zero, Fanta Naranja, Fanta Limón, Fanta Uva, Fanta Frutilla, Fanta Zero Naranja, Sprite, Sprite Zero, Nordic Mist Agua Tónica, Nordic Mist Ginger Ale, Quatro sabor Guaraná and Quatro Light sabor Pomelo. Additionally, it distributes the products of Vital, Vital Aguas and Envases Central. These products are commercialized in returnable and non-returnable glass and PET bottles, post-mix syrup, cans and Tetra Pak.

#### **License Agreements**

These agreements are international standard contracts. The Coca-Cola Company 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. In accordance with these contracts we have the right to produce and distribute Coca-Cola soft drinks in our franchise territory. Although this is not an exclusive right, The Coca-Cola Company has never authorized any other entity to produce or distribute Coca-Cola soft drinks or other Coca-Cola beverages in our franchise territory.

This Agreement states as franchise territory: the Metropolitan Region in Santiago, the Province of San Antonio in the Fifth Region; and the Province of Cachapoal (including San Vicente de Tagua-Tagua) in the Sixth Region. The Bottler Agreement with The Coca-Cola Company is for a 5 year period beginning January 1, 2008.

#### **production and distribution**

Embotelladora Andina operates the San Joaquín production facility with eight bottling lines and one blowing line, located in Santiago. Average utilization capacity for 2010 was 79.5%.

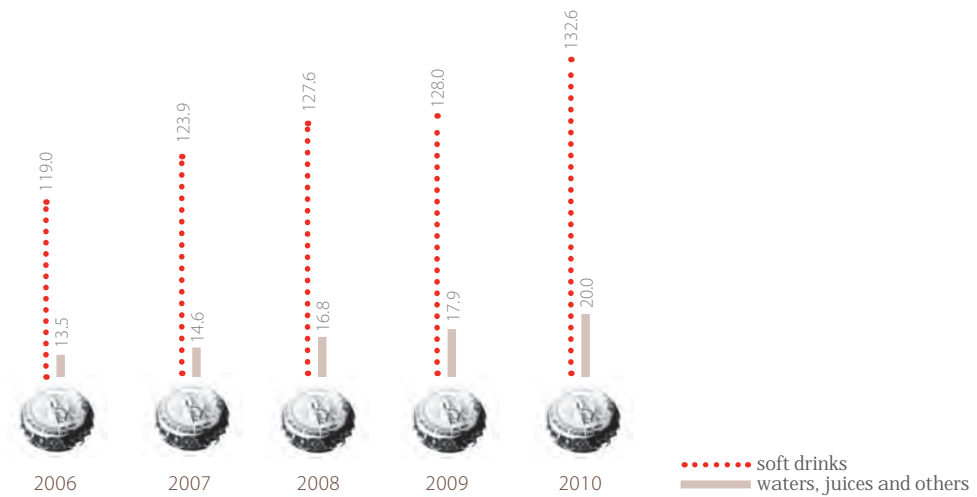
The distribution of products is carried out through the company's subsidiary, Transportes Andina Refrescos, which counts with a fleet of 30 owned trucks and 370 third party trucks.

Also, as an additional service, Embotelladora Andina manages 2,650 vending machines for soft drinks and snacks through the subsidiary, Servicios Multivending.

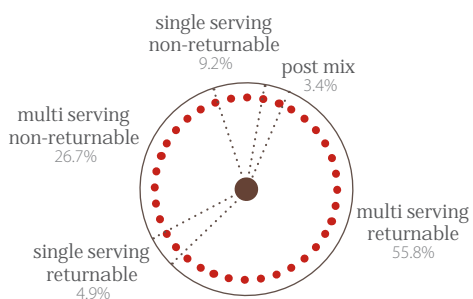
## **business description\***

\*For an in-depth description of our business in Chile, refer to our annual report on form 20F available at our website [www.embotelladoraandina.com](http://www.embotelladoraandina.com).

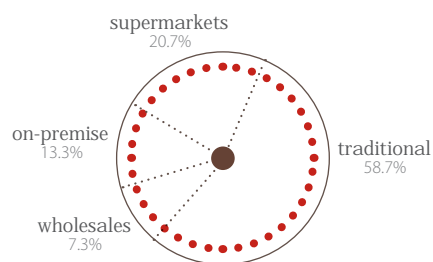




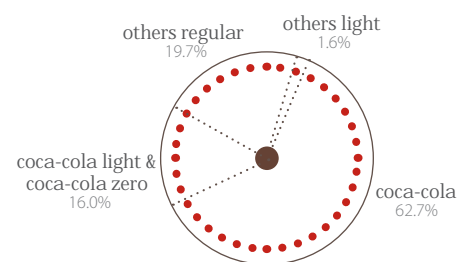
sales volume evolution<sup>1</sup>  
(million unit cases)



sales by format



sales by channel



sales by flavor

<sup>1</sup>Includes soft drinks, waters, juices and others sold only in Andina's franchise.



*Rio de Janeiro Refrescos*

**BRAZIL**

Total Sales Volume  
 202.5 MUCs  
 Soft Drinks  
 187.0 MUCs  
 Juices & Others  
 7.9 MUCs  
 Waters  
 3.7 MUCs  
 Beers  
 3.9 MUCs  
 Total Annual Per Capita Consumption<sup>1</sup>  
 276 - 8 oz. bottles  
 Soft Drinks  
 260 - 8 oz. bottles  
 Juices & Others  
 11 - 8 oz. bottles  
 Waters  
 5 - 8 oz. bottles  
 Total Market Share<sup>2</sup>  
 52.8%  
 Soft Drinks  
 57.3%  
 Juices & Others  
 47.0%  
 Waters  
 7.0%  
 Operating Income  
 US\$141.6 million  
 EBITDA  
 US\$168.8 million



<sup>1</sup>Includes soft drinks, waters, juices & others.

<sup>2</sup>Includes soft drinks, waters, juices & others. Source: A.C. Nielsen.



Rio de Janeiro Refrescos Ltda. commercializes products of The Coca-Cola Company and Heineken. It produces, sells and distributes the following products licensed by The Coca-Cola Company: Coca-Cola, Coca-Cola Light Plus, Coca-Cola Zero, Kuat, Kuat Zero, Kuat Eko, Fanta Laranja, Fanta Laranja Zero, Fanta Uva, Fanta Uva Zero, Sprite, Sprite Zero, Crystal (mineral water), Aquarius Fresh, Schweppes Tônica, Schweppes Tônica Light, Schweppes Citrus, Schweppes Citrus Light, Schweppes Club Soda, I9 (in 4 flavors), Kapo (in 5 flavors), Kapo Chocolate (flavoured milk), Burn, Gladiator (in 2 flavors), Leão Ice Tea (regular and light in 2 flavors) Powerade (in 3 flavors), Del Valle Frut y Mais (in 18 flavors) and Matte Leão (in 11 flavors). Additionally it distributes the following beer brands: Kaiser, Heineken, Bavaria, Xingú, Summer, Sol, Dos Equis (XX), Murphys, Amstel, Edelweiss, and Birra Moretti.

### **license agreements**

These agreements are international standard contracts. The Coca-Cola Company 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. In accordance with these contracts we have the right to produce and distribute Coca-Cola soft drinks in our franchise territory. Although this is not an exclusive right, the

Coca-Cola Company has never authorized any other entity to produce or distribute Coca-Cola soft drinks or other Coca-Cola beverages in our franchise territory.

The agreement states as franchise territory: the majority of the State of Rio de Janeiro, and the totality of the State of Espírito Santo.

The duration of the Bottler Agreement with The Coca-Cola Company is 5 years beginning October 4, 2007, and is renewable for the same period subject to the fulfillment of the terms contained therein.

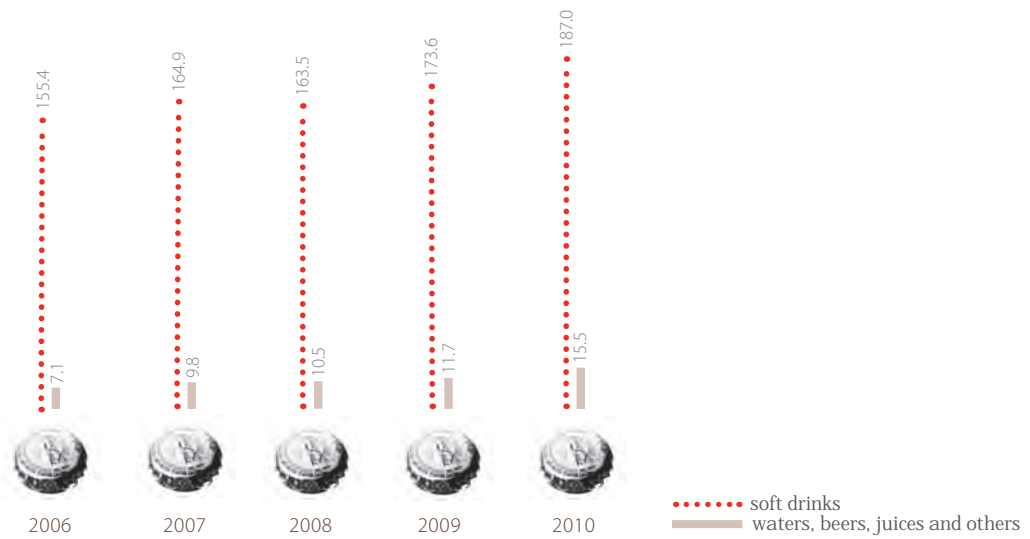
Additionally, The Coca-Cola Company, Cervejarias Kaiser S.A., Molson Inc. and the Brazilian Association of Coca-Cola Manufacturers entered into an agreement of understanding and a convention regarding the distribution through the Coca-Cola System of beer produced and imported by Kaiser. The distribution agreements signed in 2003 have a term of renewable periods of 20 years.

### **production and distribution**

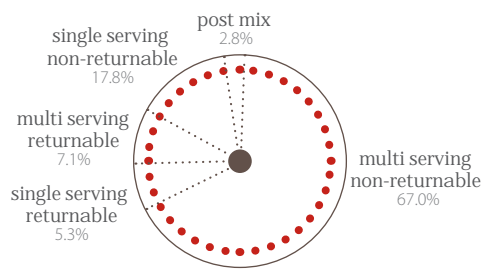
Rio de Janeiro Refrescos operates 2 production facilities located in Jacarepaguá in the State of Rio de Janeiro and in Vitoria in the State of Espírito Santo with a total of 12 lines. Average utilization capacity for the year 2010 was 81%. The distribution of products is carried out through third party distributing companies with a fleet of 670 trucks. Rio de Janeiro Refrescos manages 600 vending machines.

## **business description\***

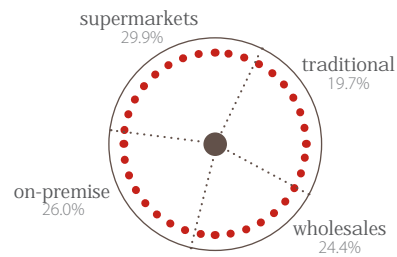
\*For an in-depth description of our business in Brazil, refer to our annual report on form 20F available at our website [www.embotelladoraandina.com](http://www.embotelladoraandina.com).



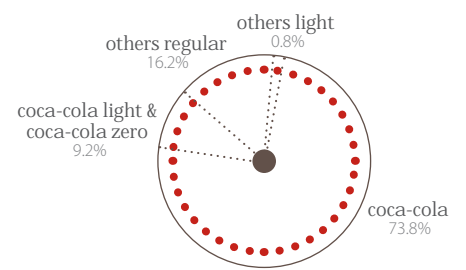
sales volume evolution  
(million unit cases)



sales by format



sales by channel



sales by flavor



*Embotelladora del Atlántico*

**ARGENTINA**

Total Sales Volume  
     125.2 MUCs  
     Soft Drinks  
     118.4 MUCs  
     Juices & Others  
     2.0 MUCs  
     Waters  
     4.8 MUCs  
 Total Annual Per Capita Consumption<sup>1</sup>  
     278 - 8 oz. bottles  
     Soft Drinks  
     263 - 8 oz. bottles  
     Juices & Others  
     4 - 8 oz. bottles  
     Waters  
     11 - 8 oz. bottles  
 Total Market Share<sup>2</sup>  
     41.2%  
     Soft Drinks  
     55.3%  
     Juices & Others  
     16.4%  
     Waters  
     8.0%  
 Operating Income  
     US\$46.0 million  
     EBITDA  
     US\$60.1 million



<sup>1</sup>Includes soft drinks, waters, juices & others.

<sup>2</sup>Includes soft drinks, waters, juices & others. Source: A.C. Nielsen.

### **soft drinks division**

Embotelladora del Atlántico produces and distributes the following products licensed by The Coca-Cola Company: Coca-Cola, Coca-Cola Light, Coca-Cola Zero, Fanta Naranja, Fanta Naranja Light, Fanta Zero, Fanta Limón, Fanta Pomelo, Sprite, Sprite Zero, Quatro Pomelo, Quatro Liviana Pomelo, Schweppes Citrus, Schweppes Tónica, Schweppes light, Crush Naranja, Crush Lima Limón, Soda Kin, carbonated and non-carbonated Dasani (purified water) and Aquarius (flavored water). Additionally, it distributes Cepita juices and Powerade.

### **license agreements**

These Agreements are international standard contracts The Coca-Cola Company 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. In accordance with these contracts we have the right to produce and distribute Coca-Cola soft drinks in our franchise territory. Although this is not an exclusive right, the Coca-Cola Company has never authorized any other entity to produce or distribute Coca-Cola soft drinks or other Coca-Cola beverages in our franchise territory. The Agreement states as franchise territory the provinces of Córdoba, Mendoza, San Juan, San Luis and Entre Ríos, as well as part of the provinces of Santa Fe and Buenos Aires (excluding Capital Federal). The Agreement with The Coca-Cola Company will expire in February of 2012.

### **production and distribution**

Embotelladora del Atlántico operates one production facility for soft drinks with 7 lines located in Montecristo, Córdoba. Average utilization capacity during 2010 was 65%. Additionally, it operates one production facility for juices and other products with one line. Average utilization capacity during 2010 was 40%. The distribution of products is carried out through third party distributing companies with a fleet of 20 contractors and 256 trucks.

### **packaging division**

The packaging division of Embotelladora del Atlántico produces preforms for returnable and non-returnable bottles. In addition to supplying preforms and bottles to the soft drinks division in Argentina, the Company also supplies other Coca-Cola bottlers in Argentina. It also exported to other countries in South America.

### **production and sales by format**

The packaging division of Embotelladora del Atlántico operates one production facility located at General Pacheco, in the province of Buenos Aires. The plant has 10 injection lines and 3 blowing lines.

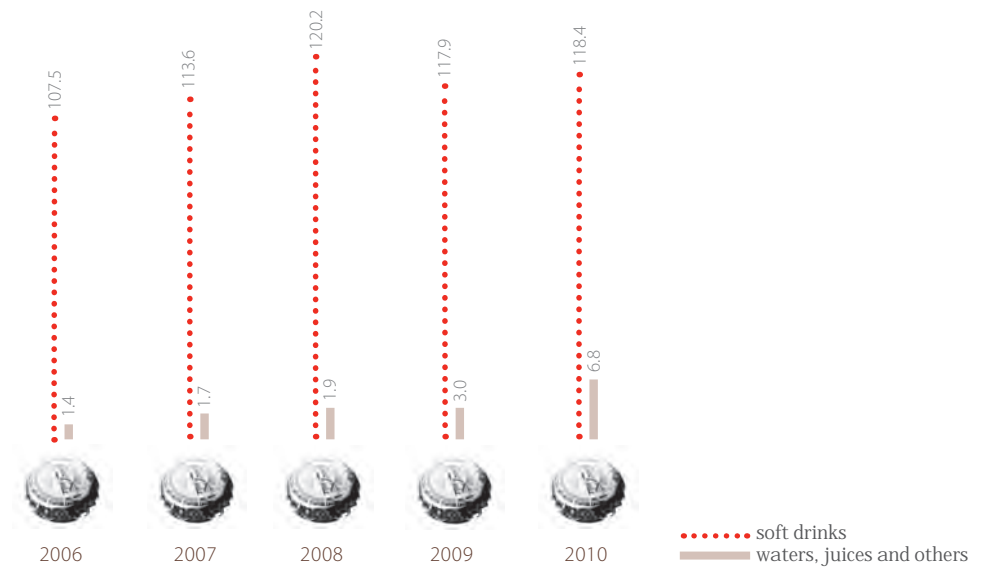
Average utilization capacity during 2010 was 95% for injection lines and 78% for blowing lines.

Sales by format during 2010 were 572 million non-returnable PET bottles and 30 million PET returnable bottles.

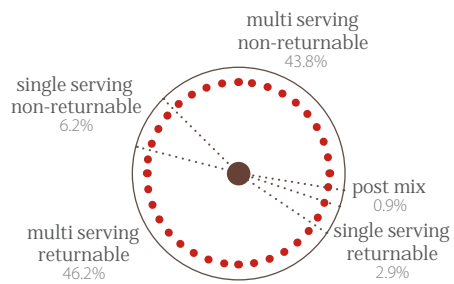
## **business description\***

\*For an in-depth description of our business in Argentina, refer to our annual report on form 20F available at our website [www.embotelladoraandina.com](http://www.embotelladoraandina.com).

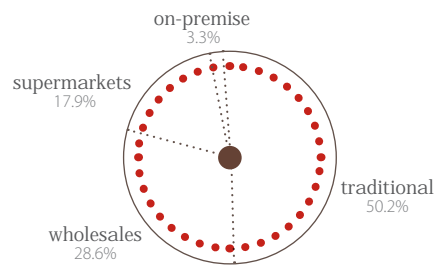




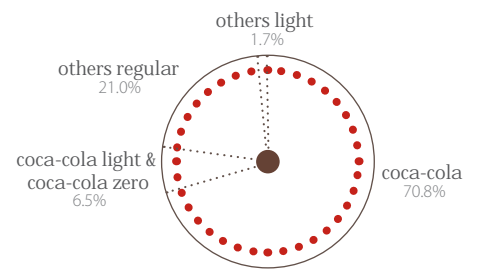
sales volume evolution  
(million unit cases)



sales by format



sales by channel

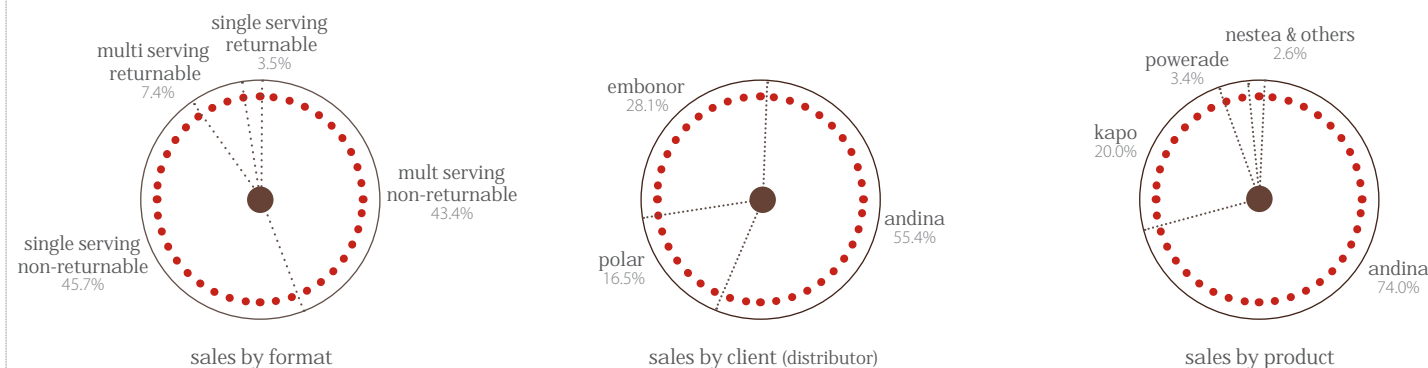


sales by flavor





other operations in chile



## VITAL S.A.

In agreement with The Minute Maid Co. and Coca-Cola de Chile S.A., Vital S.A. produces nectars, fruit juices, fantasy drinks and isotonic beverages under the brands: Andina Frut (fruit juices), Andina Néctar (fruit nectars), Kapo (fantasy drink) Nestea (ready-to-drink tea), Powerade (isotonic); Aquarius, (non-carbonated beverage containing 10% fruit juice) and HUGO (dairy beverage with 20% fruit juice). The juice brands of Andina Frut and Andina Nectar are commercialized in Tetra Pak packaging, non-returnable PET bottles, and in returnable and non-returnable glass bottles. Kapo is commercialized in sachettes; Nestea in non-returnable PET bottles; Hugo is commercialized in Tetra Pak packaging, Aquarius in returnable glass bottles and Powerade in Tetra Pak packaging and non-returnable PET bottles.

### juice bottler agreement

In 2005, Vital S.A. and the The Coca-Cola Company ("TCCC") entered into a Juice Bottler Agreement by which TCCC authorized Vital S.A. to produce, prepare and bottle in packaging previously approved by TCCC the abovementioned brands. The Agreement will expire on December 31, 2015, and sets forth that Andina, Embonor and Polar have the right to purchase products from

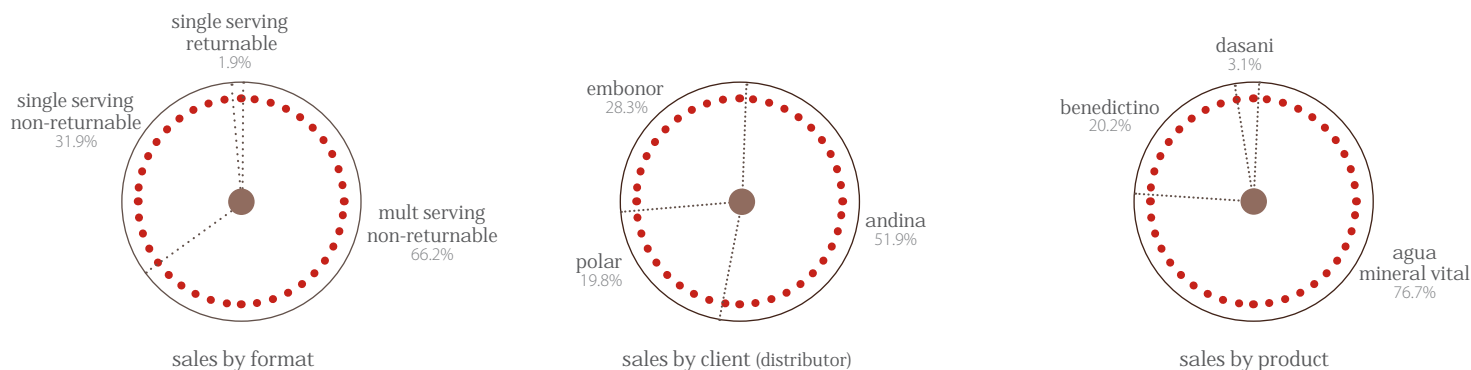
Vital S.A. Additionally, Andina, Vital S.A., Embonor and Polar have agreed with TCCC the respective agreements and authorizations to produce, package, and sell these products at their respective production facilities.

### production and distribution

Vital S.A. operates one production facility located in Santiago with 6 lines for the production of Andina Frut, Andina Néctar, Nestea, Powerade, Aquarius and Hugo; and 7 lines for the production of Kapo. Average utilization capacity for the year 2010 was 67%. In Chile, Vital S.A. products are distributed exclusively by Andina S.A. and the other Coca-Cola bottlers in the country. The distribution agreements stipulate the distribution of products in each of the bottlers' respective franchise territories.

### market share

It is estimated that during 2010 the company's products had an average volume market share of 34.8% in the national market for juices and nectars (source: A.C. Nielsen).



## VITAL AGUAS S.A.

In agreement with The Coca-Cola Company, Vital Aguas S.A. prepares and bottles the following brands: Vital (mineral water) in the following versions: with gas, without gas and Soft Gas; Dasani (purified flavored water); and Benedictino (purified water) in the following versions: with gas and without gas. Vital mineral water is commercialized in returnable glass bottles and non-returnable PET bottles and Dasani and Benedictino are commercialized in non-returnable PET bottles. The ownership of Vital Aguas S.A. is shared by the three Coca-Cola bottlers in Chile. Andina holds a 56.5% stake, Embonor holds a 26.4% stake and Polar holds a 17.1% stake.

### water manufacturer and packaging agreement

In 2005, Vital Aguas S.A. and The Coca-Cola Company 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 and Dasani; incorporating at the beginning of 2008 the Benedictino brand to the product portfolio elaborated by Vital Aguas S.A. in accordance to this agreement.

### production and distribution

Vital Aguas S.A. operates 4 production lines for mineral water and purified water at the production facility located in Chanqueahue, in the municipality of Rengo in Chile. During 2010, average utilization capacity was a 66%. In Chile, the products of Vital Aguas S.A. are distributed exclusively by Andina and the other Coca-Cola bottlers in the country. The distribution agreements stipulate the distribution of products in each of the bottlers' respective franchise territories.

### market share

It is estimated that during 2010 the company's products had an average volume market share of 35.6% in the national market for waters (source: A.C. Nielsen).

### **ENVASES CMF S.A.**

Embotelladora Andina and Cristalerías de Chile have a joint venture partnership for the PET packaging business through Envases CMF, for the production of returnable and non-returnable bottles, returnable and non-returnable preforms; caps and seals.

#### **production and sales by format**

Envases CMF operates one production facility for the manufacture of PET bottles located in the Metropolitan Region. The plant has 12 preform injection lines, 10 blowing lines, 3 injector-blowing lines, and 16 lines for conventional injection and extruding blowing. During 2010, average utilization of the production lines was 95%, 89%, 81% and 90%, respectively. Sales by format during 2010 were 309 million non returnable PET bottles, 29 million returnable PET bottles and 282 million preforms for non returnable bottles.

### **ENVASES CENTRAL S.A.**

The Company is mainly focused on the production of Coca-Cola soft drinks, Dasani flavored waters (peach, citrus, tangerine and apple) and non-carbonated beverages containing 10% fruit juice, Aquarius (pear, apple, grape and pineapple). The packaging of these products is in 350 ml and 250 ml cans, and in PET non-returnable bottles of 250 ml, 300 ml, 410 ml, 500 ml, 580 ml, and 1.5 lt (only for Aquarius). The ownership of Envases Central S.A. is shared by the Coca-Cola bottlers in Chile along with Coca-Cola de Chile S.A. Embotelladora Andina S.A. holds a 49.91% stake, Embotelladora Coca-Cola Embonor S.A. holds a 34.31%, Embotelladora Coca-Cola Polar S.A. holds a 9.36% stake and Coca-Cola de Chile S.A. a 6.42% stake.

#### **license agreement**

These agreements are international standard contracts The Coca-Cola Company 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. The agreement with The Coca-Cola Company is for a 5 year period, beginning January 1° 2010.

#### **production and distribution**

Envases Central S.A. operates one production facility located in Santiago, with one line for cans and one line for PET bottles. During 2010, the canning and bottling lines operated at an average of 72% and 64%, respectively. In Chile, the products of Envases Central S.A. are distributed exclusively by the Coca-Cola bottlers in the country. The distribution agreements stipulate for the distribution of products within each of the respective franchise territories.

## additional information



### financial activities

During 2010, the Company used external financing only to cover temporary cash deficits, and financing of its permanent investments was obtained exclusively from internal resources. As of December 31, 2010, the Company's Net Cash Position amounted to US\$ 29.8 million.

Accumulated excess cash is invested in short term time deposits with top of the line banks and money markets.

The Company holds 49.0% of its financial assets in UF, 29.2% in Chilean pesos, 18.1% Brazilian reais, 1.5% in U.S. dollars and 2.2% in Argentine pesos. Total financial assets amounted to US\$ 207.6 million. Financial debt level as of December 31, 2010 amounted to US\$ 177.8 million, 91.1% of which is UF denominated, 7.9% in Argentine pesos and 1.0% is in Brazilian reais.

Andina uses exchange rate hedging agreements from time to time to backup commitments in currencies different from those used in its operations, due to obligations arising from acquisition of fixed assets, raw material purchases, and/or to cover interests in short and long term debts.

### investment and financing policy

The Deeds of Embotelladora Andina S.A. do not define a fixed financing structure or an investment policy. The Shareholders have given the Board of Directors the faculty to define the financing and investment policy, which has resulted in that the Company has traditionally privileged the use of own resources for financing its investments.

On the other hand, during Board Session held March 27, 2007, a series of limitations that require the prior approval of the Board of Directors were established for the Company's legal representatives, in the following matters: (i) mortgage and grant in usufruct or trust, all types of real estate; (ii) mortgage or encumber, acquire or sell, or promise the acquisition or sale of real estate for an amount exceeding one million U.S. dollars, and securities and stock options (iii) pledge all types of movables, rights or securities; and (iv) grant any kind of guarantees and agree to pledges in order to safeguard liabilities of the Company, its subsidiaries or third parties.

### insurance

Embotelladora Andina and its subsidiaries maintain annual insurance agreements with top of the line companies. The principal insurance policies cover: fire risks, earthquake and losses due to stoppage, including lost profits as a result of such accidents. Additionally, there are other policies with specific coverage among others, air, sea and land transportation, motor vehicles, terrorism, civil liability and product civil liability.



### **risk factors<sup>1</sup>**

We have identified the following risks that could significantly and adversely affect the Company's financial condition and operating results:

• **Relationship with The Coca-Cola Company ("TCCC"):** More than 97.3% of our sales are derived from the distribution of products bearing trademarks owned by TCCC. According to the bottling agreements TCCC has the ability to exercise substantial influence over the business of Embotelladora Andina through its rights under these agreements, and can have a negative impact on our margins; among them, unilaterally set prices for concentrates it sells to us. We depend on TCCC to renew said agreements and we cannot assure that these will be renewed or extended upon maturity, and even if they are renewed, we cannot assure that the extension

will be granted under the same terms of the current agreements. In addition, any acquisition on our behalf of Bottlers of Coca-Cola products in other countries may require, among others, the consent of TCCC.

• **We operate in a highly competitive market in terms of prices:** In our franchise territories we compete with bottlers of regional brands as well as Pepsi bottlers. Although we believe that we are well positioned to maintain or increase sales volumes at acceptable levels in all our franchise territories, competition may continue and we cannot assure that such competition will not intensify in the future that could also negatively affect our profitability.

<sup>1</sup>Further information is available on our website [www.embotelladoraandina.com](http://www.embotelladoraandina.com) under The Company-Risk Factors.






• **Our raw materials are subject to exchange rate risk and price volatility:** We use numerous raw materials in the production of beverages and packaging, including sugar and resin. Since these prices are often fixed in U.S. dollars, the Company is subject to the exchange rate risk of the local currency in each one of its operations. If the Chilean peso, the Brazilian real or the Argentine peso devaluated significantly with respect to the U.S. dollar, the cost of certain raw materials could rise significantly and this could adversely affect our operating results. Additionally, these raw materials are subject to international prices' volatility that could also negatively affect our profitability.

• **Instability in the supply of utility services and fuel:** All our operations depend on a stable supply of utilities and fuel. Given the

relative economic instability in the countries where we operate, particularly in Argentina, we cannot assure that this will not affect the capacity to obtain utilities or fuel in the future.

• **Our growth and profitability depend on the economic conditions of the countries where we operate:** Operating results depend significantly on the economic and political conditions prevailing in the markets of Brazil, Chile and Argentina; including: (i) inflation, we cannot guarantee that, under strong competitive pressures, we will be able



to increase prices to compensate inflation; (ii) volatility of local currencies with respect to the U.S. dollar derived from governmental economic policies of those countries; (iii) exchange controls and withholding taxes can limit the repatriation of investments; and (iv) monetary, credit and tariff policies or of any other nature that have an impact over the course of the economies of Brazil, Chile and/or Argentina.

• **Perception of risk in emerging economies:** As a general rule, international investors consider Argentina and to a lesser extent Chile and Brazil, to be emerging market economies. Economic conditions and the market for securities of emerging market countries influence investors' perception regarding the securities of companies located in these countries. Investors' behavior regarding the economic realities of one country can affect the securities of issuers in other countries, including Chile.

• **The market for our shares may be volatile and illiquid:** The Chilean securities markets are substantially smaller, less liquid and more volatile than most of the major securities markets in developed countries. 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.

#### **equipment**

Main equipment is composed of bottling lines and auxiliary equipment, market assets, and packaging and distribution assets. All of them are well preserved and are sufficient to sustain the normal functioning of operations.



### **research and development**

Given the line of business and the support provided by The Coca-Cola Company as franchisor to its bottlers, the Company's research and development expenses are not meaningful.

### **shareholders' summary and comments**

The Company has not received any comments regarding the development of the business from principal shareholders or groups of shareholders that represent or hold more than 10% of the shares issued with voting rights. However, the minutes of the Regular Shareholders' Meeting of 2010 include all observations made by every shareholder that expressed his/her opinion during said meeting.

### **earthquake in chile**

Due to the earthquake on the dawn of February 27, 2010, our soft drinks main production facilities located in San Joaquin did not suffer important damages; production and commercialization of soft drinks started again in the afternoon of March 1st. Also, our subsidiary Vital Aguas S.A., located in Rengo, practically did not suffer damages and operations started again at dawn on March 1st. Regarding our subsidiaries Envases Central S.A. and Vital S.A. these underwent damages of medium magnitude in their production lines, and began to gradually resume production within a week for the case of Envases Central S.A., and 18 days for the case of Vital S.A.

None of Andina's production facilities presented problems in terms of supply, and fortunately the Company did not have to grieve fatalities as a result of the catastrophe.

## employees

	Executives	Technicians and Professionals	Other Workers	Temporaries	Total 2010
<b>Chile</b>					
Embotelladora Andina S.A.	40	643	699	324	1,706
Vital S.A.	3	107	248	24	382
Vital Aguas S.A.	2	30	43	25	100
Envases Central S.A.	6	16	48	11	81
Envases CMF S.A.	4	52	206	-	262
<b>Brazil</b>					
Rio de Janeiro Refrescos Ltda.	71	1,233	1,246	-	2,550
<b>Argentina</b>					
Embotelladora del Atlántico S.A.	81	342	1,083	268	1,774
<b>Total</b>	<b>207</b>	<b>2,423</b>	<b>3,573</b>	<b>652</b>	<b>6,885</b>

## capital expenditures

(nominal million dollars)	2010	2009
<b>Chile</b>		
Embotelladora Andina S.A.	91.5	42.0
Vital S.A.	6.5	3.1
Vital Aguas S.A.	1.1	3.5
Envases CMF S.A.	1.5	4.6
Envases Central S.A.	0.7	0.9
<b>Brazil</b>		
Rio de Janeiro Refrescos Ltda.	69.8	37.9
<b>Argentina</b>		
Embotelladora del Atlántico S.A.	19.3	15.1
<b>Total</b>	<b>190.4</b>	<b>107.1</b>



## properties and facilities

	Main Use	Surface (Square Meters)
Chile		
<b>Embotelladora Andina S.A.</b>		
Metropolitan Region	Offices / Production of Soft Drinks / Distribution Centers / Warehouses	494,386
Rancagua	Warehouses	25,920
San Antonio	Warehouses	19,809
<b>Vital S.A.</b>		
Metropolitan Region	Offices / Production of Juices	40,000
<b>Vital Aguas S.A.</b>		
Rengo	Production of Waters	12,375
<b>Envases CMF S.A.</b>		
Metropolitan Region	Offices / Production of PET bottles and preforms	74,001
<b>Envases Central S.A.</b>		
Metropolitan Region	Offices / Production of Soft Drinks	51,906
<b>Total Chile</b>		<b>718,397</b>
Brazil		
<b>Rio de Janeiro Refrescos Ltda.</b>		
Jacarepaguá	Offices / Production of Soft Drinks / Distribution Centers / Warehouses	248,375
Itambi	Warehouses	131,420
Vitória	Offices / Production of Soft Drinks / Warehouses	93,320
Nova Iguaçu	Warehouses	79,958
Bangu	Distribution Center	44,614
Campos	Warehouses	24,200
Cachoeira do Itapemirim	Warehouses	8,000
Cabo Frio	Warehouses	1,985
<b>Total Brazil</b>		<b>631,872</b>
Argentina		
<b>Embotelladora del Atlántico S.A.</b>		
Córdoba	Offices / Production of Soft Drinks / Distribution Centers / Warehouses	923,360
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
<b>Total Argentina</b>		<b>1,171,413</b>
<b>Total</b>		<b>2,521,682</b>



## main clients

### Soft Drinks, Waters, Juices and Others

CHILE	BRAZIL	ARGENTINA
Distribución y Servicio S.A.	Prezunic Comercial Ltda.	Jumbo Retail Argentina S.A
Cencosud Supermercados S.A.	Sociedade Comercial Champfer Ltda.	Inc. Sociedad Anónima
Alvi Mayoristas S.A.	Casas Guanabara Comestíveis Ltda.	Mistura S.A.
Supermercados San Francisco S.A.	Carrefour Comércio e Indústria Ltda.	Fortunato Alberto Manzur
Rendic Hermanos. S.A.	Distribuidor de Bebidas Real Cola Ltda.	Elio Casa Distribuciones S.A.
Alimentos Fruna Ltda.	Supermercados Mundial Ltda.	J y H Distribuciones S.R.L.
Super Diez S.A.	Sendas Distribuidora S.A.	Wal- Mart Argentina S.R.L.
Distribuidora Don Francis S.A.	Xantocarpa Participações Ltda.	Miguel Ángel Leoni
Supermercados Montserrat S.A.C.	Franciscana Distribuidora Ltda.	Andrés Roberto Pont
McDonald's Chile	Zulemar Comércio de Bebidas Ltda.	Cruz del Eje Refrescos S.H.
Coca-Cola Embonor S.A.	Super Mercado Zona Sul S.A.	José Luis Vargas
Embotelladora Coca-Cola Polar S.A.	Makro Atacadista S.A.	Ricardo Cayetano Villacreces

### Packaging

CHILE	ARGENTINA
Coca-Cola System in Chile	Coca-Cola Femsa de Argentina
Soprole S.A.	Coca-Cola Polar S.A.
Watt's S.A.	Reginald Lee S.A.
Córpore Tres Montes S.A.	Complejo Productivo Mediterráneo S.A.
The T-Company S.A.	Paraguay Refrescos S.A.
Viña Concha y Toro S.A.	Embotelladoras Arca
Viña Santa Rita S.A.	Monresa
Gasco GLP S.A.	Graham Packaging
Ecuador Bottling Company	Spal Indústria Brasileira de Bebeidas S.A.
Alpla C.R.S.A.	Envases CMF S.A.



## main suppliers

### Soft Drinks

CHILE	BRAZIL	ARGENTINA
<b>Concentrate</b>		
Coca-Cola de Chile S.A. <sup>1</sup>	Recofarma Industrias do Amazonas Ltda. <sup>2</sup>	Servicios y Productos para Bebidas Refrescantes S.R.L. <sup>1</sup>
<b>Sweetener</b>		
Industria Azucarera Nacional S.A. Agrocommerce S.A.	Copersucar Ltda.	Compañía Azucarera Concepción S.A. Ingenio y Refinería San Martín del Tabacal S.R.L. Ledesma S.A. Agrícola Industrial Producto de Maíz S.A. Atanor S.C.A. Compañía Inversora Industrial S.A.
<b>Water</b>		
Aguas Andinas S.A.	Companhia Estadual de Água e Esgoto do Rio de Janeiro Companhia Espírito Santense de Sanenamento	EDASA owns water wells and pays a fee to the Dirección Provincial de Aguas Sanitarias
<b>Carbon Dioxide</b>		
AGA Chile S.A.	White Martins Gases S.A. Linde Gases Ltda.	Praxair Argentina S.R.L. Air Liquide Argentina S.A.
<b>Packaging (bottles)</b>		
Envases CMF S.A. <sup>3</sup> Cristalerías de Chile S.A. Cristalerías Toro S.A.C.I.	Brasalpla Brasil Indústria de Embalagens Ltda. Ampcor Pet Packaging do Brasil Ltda. Owens-Illinois do Brasil Industria e Comercio S.A.	Cattorini Hermanos S.A.C.I.F. Cristalerías Toro S.A.C.I. Cristalerías de Chile S.A.
<b>Aluminum Cans and Caps</b>		
Rexam Chile S.A.	Rexam Beverage Can South Latapack Ball Embalagens Ltda.	
<b>Caps</b>		
Alusud Embalajes Chile Ltda. Inyecal S.A. Alucaps Mexicana S.A. de C.V. Metalgráfica Cearense S.A.	Aro S.A. Rexam Plásticos do Brasil Ltda. Closure Systems International (Brazil) Sistemas de Vedação Ltda.	Alusud Argentina S.R.L. Aro S.A. Exportação Importação Indústria Comercio Metalgráfica Cearense S.A. Inyecal S.A.
<b>Electric Energy</b>		
Chilectra S.A.	Light S.A. Centrais Elétricas S.A.	Central Piedra Buena S.A. Empresa Provincial de Energía de Córdoba (EPEC) Duke Energy Internacional

<sup>1</sup>Shareholder

<sup>2</sup>Shareholder related

<sup>3</sup>Related company



## main suppliers

### Waters, Juices and Others

CHILE	BRAZIL	ARGENTINA
<b>Concentrate</b>		
Coca-Cola de Chile S.A. <sup>1</sup>		Servicios y Productos para Bebidas Refrescantes S.R.L. <sup>1</sup>
<b>Sweetener</b>		
Industria Azucarera Nacional S.A.		Compañía Azucarera Concepción S.A. Ingenio y Refinería San Martín del Tabacal S.R.L.
<b>Carbon Doioxide</b>		
AGA Chile S.A.		Producto de Maíz S.A. Atanor S.C.A.
<b>Fruit Pulp</b>		
Aconcagua Foods S.A. Tresmontes Lucchetti Agroindustrial S.A. Fenix Fruit Concentrates S.A. Arcor S.A.C.I. Votorantrade N.V. Sucocitrico Cutrale S.A. Flora Floresta do Araguaia C.A. Ltda. Empresas Carozzi S.A. Conservera Pentzke S.A.	Golden Sucos Ltda. Luis Dreyfus Commodities Agroindustrial Sucocitrico Cutrale S.A.	
<b>Packaging, Bottles and Cans</b>		
Tetra Pak de Chile Ltda. Envases del Pacífico S.A. <sup>2</sup> Aluflex S.A. Envases CMF S.A. <sup>3</sup> Cristalerías de Chile S.A. Cristalerías Toro S.A.C.I. Sánchez y Cía. Ltda.	Rexam Beverage Can South Crown Embalagens S.A.	Tetra Pak S.R.L.
<b>Caps</b>		
Alusud Embalajes Chile Ltda. Alucap S.R.L. Portola Packaging Inc.		Alusud Argentina S.R.L. Aro S.A. Exportação Importação Indústria Comercio Metalgráfica Cearence S.A. Inyecal S.A.



## Packaging

CHILE	ARGENTINA
<b>Resin</b>	
DAK Americas Argentina S.A. Nan Ya Plastics Corp. KP Chemical Corp. Far Eastern Textile Ltd. Arteva Specialties S. de RL. de C.V. - Invista IDC America LLC	DAK Americas Argentina S.A.
<b>Ink</b>	
Nazdar Shawnee	Nazdar
<b>Labels</b>	
Envases del Pacifico S.A. <sup>2</sup> Multi-Color Corp.	Multi-Color Corp.
<b>Boxes</b>	
Impresos y Cartonajes S.A. 3 Volcanes Ltda. Plastiberg Ltda.	Nem S.A. Argen Craft S.A. Altaplástica S.A. Afema de Baumeister Horacio y Rodolfo S. de H. Manuli Packaging Argentina S.A. Sixcom S.A.
<b>Electric Energy</b>	
Chilectra S.A.	Edenor S.A.
<b>Coloring</b>	
ColorMatrix Argentina S.A. ColorMatrix do Brasil Ltda.	ColorMatrix America do Sul Ltda.

<sup>1</sup>Shareholder

<sup>2</sup>Shareholder related

<sup>3</sup>Related company



## subsidiaries and related companies

### Chile

Embotelladora Andina Chile S.A.°	Vital S.A.°	Vital Aguas S.A.°	Transportes Andina Refrescos Ltda.	Servicios Multivending Ltda.
<b>Address</b>				
Av. Miraflores 8953, Santiago	Av. Américo Vespucio 1651, Santiago	Chanqueahue s/n, Rengo	Av. Carlos Valdovinos 462, Santiago	Av. Miraflores 8953, Santiago
<b>Chilean Tax ID N°</b>				
76.070.406-7	93.899.000-K	76.389.720-6	78.861.790-9	78.536.950-5
<b>Telephone</b>				
(56-2) 338 0520	(56-2) 620 4103	(56-2) 620 4103	(56-2) 550 9445	(56-2) 677 2700
<b>Shareholders' Equity (as of 12/31/10)</b>				
ThCh\$ 10,000	ThCh\$ 9,490,847	ThCh\$ 4,331,154	ThCh\$ 500,000	ThCh\$ 500,000
<b>Corporate Purpose</b>				
Manufacture, bottle, distribute, and commercialize non-alcoholic beverages.	Manufacture, distribute and commercialize all kinds of food products, juices and beverages.	Manufacture, distribute and commercialize all kinds of waters and beverages in general.	Provide administration services and management of domestic and foreign ground transportation.	Commercialize products through equipment and vending machines.
<b>Board of Directors</b>				
Jaime García <sup>1</sup> Osvaldo Garay <sup>1</sup> Jaime Cohen <sup>1</sup>	Jaime García <sup>1</sup> Michael Cooper <sup>1</sup> Osvaldo Garay <sup>1</sup>	Michael Cooper <sup>1</sup> Cristián Hohlberg Cristián Mandiola Abel Bouchon <sup>1</sup>		
<b>General Manager</b>				
Abel Bouchon <sup>1</sup>	César Vargas	César Vargas		

## Chile

Envases CMF S.A. <sup>o</sup>	Envases Central S.A. <sup>o</sup>	Andina Bottling Investments S.A. <sup>o</sup>	Andina Bottling Investments Dos S.A. <sup>o</sup>	Andina Inversiones Societarias S.A. <sup>o</sup>
<b>Address</b>				
La Martina 0390, Santiago	Av. Miraflores 8755, Santiago	Av. El Golf 40, Of. 401, Santiago	Av. El Golf 40, Of. 401, Santiago	Av. El Golf 40, Of. 401, Santiago
<b>Chilean Tax ID N°</b>				
86.881.400-4	96.705.990-0	96.842.970-1	96.972.760-9	96.836.750-1
<b>Telephone</b>				
(56-2) 544 8222	(56-2) 599 9300	(56-2) 338 0520	(56-2) 338 0520	(56-2) 338 0520
<b>Shareholders' Equity (as of 12/31/10)</b>				
ThCh\$ 35,281,986	ThCh\$ 7,562,354	ThCh\$ 240,010,693	ThCh\$ 8,714,160	ThCh\$ 34,468,893
<b>Corporate Purpose</b>				
Manufacture, acquire and commercialize all types of containers and packaging; and provide bottling services.	Manufacture and packaging of all kinds of beverages, and commercialize all kinds of packaging.	Manufacture, bottle and commercialize beverages and food in general. Invest in other companies.	Carryout exclusively foreign permanent investments or lease all kinds of real estate.	Invest in all types of companies and commercialize food products in general.
<b>Board of Directors</b>				
Pedro Jullian	Renato Ramírez	Jaime García <sup>1</sup>	Jaime García <sup>1</sup>	Jaime García <sup>1</sup>
Michael Cooper <sup>1</sup>	Gonzalo Iglesias	Michael Cooper <sup>1</sup>	Michael Cooper <sup>1</sup>	Michael Cooper <sup>1</sup>
Joaquín Barros	José Jaramillo	Osvaldo Garay <sup>1</sup>	Jaime Cohen <sup>1</sup>	Osvaldo Garay <sup>1</sup>
Jaime Claro	Cristián Hohlberg	Jaime Cohen <sup>1</sup>		Jaime Cohen <sup>1</sup>
Osvaldo Garay <sup>1</sup>	Cristián Mandiola			
Germán Garib <sup>1</sup>	Abel Bouchon <sup>1</sup>			
<b>General Manager</b>				
Christian Larraín	Rodrigo Muñoz			

<sup>o</sup>Private corporation

<sup>1</sup>Embotelladora Andina S.A. officer



## subsidiaries and related companies

### Brazil

Rio de Janeiro Refrescos Ltda.	Kaik Participações Ltda.	Mais Indústria de Alimentos S.A.	Sucos del Valle do Brasil Ltda.
<b>Address</b>			
Rua André Rocha 2299, Taquara, Jacarepaguá, Rio de Janeiro	Av. Maria Coelho de Aguiar 215, bloco A, 1º Andar, São Paulo	Fazenda Giuclube s/n, Canivete, Linhares, Espírito Santo	Rua Paes Leme 524, 11º andar, conjuntos 111-114, Pinheiros, São Paulo
<b>Brazilian Tax Id N°</b>			
00.074.569/0001-00	40.441.792/0001-54	04.205.454/0001-50	01.895.188/0001-46
<b>Telephone</b>			
(55-21) 2429 1846	(55-11) 2102 5563	(55-11) 3809 5160	(55-11) 3809 5160
<b>Shareholders' Equity (as of 12/31/10)</b>			
ThCh\$ 37,975,316	ThCh\$ 281	ThCh\$ 42,102,461	ThCh\$ 47,335,139
<b>Coporate Purpose</b>			
Manufacture and commercialize beverages in general, powdered juices and other related semi-processed products.	Invest in other companies with own resources.	Manufacture, bottle and commercialize beverages and food in general, and beverage concentrate. Invest in other companies.	Manufacture, bottle and commercialize beverages and food in general, and beverage concentrate. Invest in other companies.
<b>Board of Directors / Management Council</b>			
Fernando Fragata <sup>1</sup>	Luiz Eduardo Tarquinio	Alejandro Feuereisen <sup>1</sup>	Alejandro Feuereisen <sup>1</sup>
Edson Bregolato <sup>1</sup>	Carlos Eduardo Correa	Ricardo Vontobel	Ricardo Vontobel
Paulo Leônidas <sup>1</sup>	Ricardo Vontobel	Daniel Sledge Herbert	Daniel Sledge Herbert
Rogério Menita <sup>1</sup>	Francisco Miguel Alarcón	Miguel Ángel Peirano	Miguel Ángel Peirano
Adriane Chatkin <sup>1</sup>	Ruy Campos Vieira	Renato Barbosa	Renato Barbosa
	Alejandro Feuereisen <sup>1</sup>	Luis Delfim de Oliveira	Luis Delfim de Oliveira
		Eduardo Enrique Baráibar	Eduardo Enrique Baráibar
		Xiemar Zarazúa López	Xiemar Zarazúa López
		Sandor Leonard de Souza Hagen	Sandor Leonard de Souza Hagen
<b>General Manager</b>			
Alejandro Feuereisen <sup>1</sup>	-	Sandor Leonard de Souza Hagen Cleber Rocha Vieira	Sandor Leonard de Souza Hagen Cleber Rocha Vieira

## Brazil

Holfab2 Participações Societárias Ltda.	Leão Junior S.A.
<b>Address</b>	
Rua Lauro Muller, 116 - conj. 2302 (parte), Botafogo, Rio de Janeiro	Av. Getúlio Vargas, 253, Bairro Rebouças, Curitiba, Paraná
<b>Brazilian Tax Id N°</b>	
11.731.861/0001-66	76.490.184/0001-87
<b>Telephone</b>	
(55-21) 2541.3387	(55-11) 3809 5160
<b>Shareholders' Equity (as of 12/31/10)</b>	
ThCh\$ 41,023,044	ThCh\$ 31,343,980
<b>Coporate Purpose</b>	
Manufacture, bottle and commercialize beverages and food in general, and beverage concentrate. Invest in other companies.	Manufacture, bottle and commercialize beverages and food in general, and beverage concentrate. Invest in other companies.
<b>Board of Directors / Management</b>	
Fernando Fragata <sup>1</sup>	Alejandro Feuereisen <sup>1</sup>
Eduardo Lacerda Fernandes	Daniel Sledge Herbert
Ricardo Vontobel	Miguel Ángel Peirano
Daniel Sledge Herbert	Renato Barbosa
	Luis Delfim de Oliveira
	Eduardo Enrique Baráibar
	Xiemar Zarazúa López
	Sandor Leonard de Souza Hagen
<b>General Manager</b>	
-	Sandor Leonard de Souza Hagen Cleber Rocha Vieira

## Argentina

Embotelladora del Atlántico S.A.
<b>Address</b>
Ruta Nacional 19, Km 3,7, Córdoba
<b>Argentine Tax Id N°</b>
30-52913594/3
<b>Telephone</b>
(54-351) 496 8888
<b>Shareholders' Equity (as of 12/31/10)</b>
ThCh\$ 6,709,470
<b>Coporate Purpose</b>
Manufacture, bottle, distribute, and commercialize non-alcoholic beverages. Design, produce and commercialize plastic products mainly packaging.
<b>Board of Directors</b>
Jaime García <sup>2</sup>
Juan Javier Negri <sup>4</sup>
Alejandro Feuereisen <sup>1</sup>
<b>General Manager</b>
José Luis Solorzano

## British Virgin Islands

Abisa Corp.
<b>Address</b>
Vanterpool Plaza, 2° Piso, Wickhams Cay 1, Road Town Tortola
<b>BVI Registration N°/Chilean Tax Id N°</b>
512410 / 59.144.140-K
<b>Telephone</b>
(1-284) 494 5959
<b>Shareholders' Equity (as of 12/31/10)</b>
ThCh\$ 12,594,313
<b>Coporate Purpose</b>
Invest in financial instruments.
<b>Board of Directors</b>
Jaime García <sup>2</sup>
Michael Cooper <sup>2</sup>
Osvaldo Garay <sup>2</sup>
Jaime Cohen <sup>2</sup>
<b>General Manager</b>
-

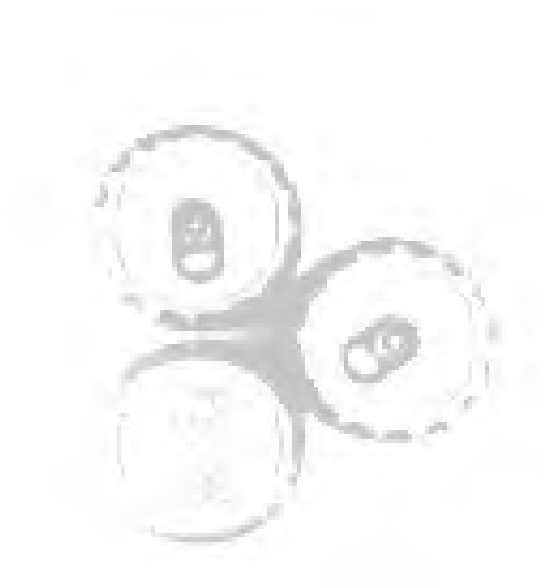
<sup>1</sup>Rio de Janeiro officer

<sup>2</sup>Embotelladora Andina S.A. officer

<sup>3</sup>Embotelladora del Atlántico S.A. officer


<sup>4</sup>External Legal Counsel





others





Embotelladora Andina S.A. is controlled by a group of individuals and corporations with an agreement to act together and which is as follows:

**A.** Members of the controlling shareholders of **Series A** shares of Andina:

1. Inversiones Freire Limitada, RUT 96.450.000-2, direct owner of 48.85251123% of **Series A** shares of Andina composed by the following partners holding the following ownership interests:

1.1. 24.07% for each of the following companies established in the Republic of Panama:

Dolavan Finance Inc., RUT 59.038.210-8, whose representative for Andina's management is Mr.

José Antonio Garcés Silva, RUT 3.984.154-1;

Hydra Investment and Shipping Corp., RUT 59.033.840-0, whose representative for Andina's

management is Mr. Alberto Hurtado Fuenzalida,

RUT 2.593.323-0; Ledimor Financial Corp.,

RUT 59.038.220-5, whose representative for

Andina's management is Mr. José Said Saffie,

RUT 2.305.902-9; and Wilsim Corporation,

RUT 59.006.660-5, whose representative for

Andina's management is Mr. Gonzalo Said

Handal, RUT 6.555.478-K; and 1.2. 0.93% for

each of the following companies: Inversiones

Dolavan Chile Limitada, RUT 77.861.410-3,

this company is controlled by Dolavan Finance Inc. (99.9% direct ownership interest); Inversiones Ledimor Chile Limitada, RUT 77.862.680-2, this company is controlled by Ledimor Financial Corp. (81.88965% direct ownership interest); Hydra Inversiones Limitada, RUT 77.861.620-3, this company is controlled by Hydra Investment and Shipping Corp. (99% direct ownership interest); and Inversiones Santa Virginia Limitada, RUT 78.324.940-5, this company is controlled by Wilsim Corporation (99.04% direct ownership interest).

2. Inversiones Freire Dos Limitada, RUT 78.816.440-8, direct owner of 3.761798984% of **Series A** shares of Andina, composed by the following partners holding the following ownership interests:

2.1. 23.99% for each of the companies mentioned in paragraph 1.1 above, each one having the same representative for Andina's

management as stated in the recently mentioned paragraph, and

2.2. 1.01% for each of the companies mentioned in paragraph 1.2 above.

**B.** Members of the controlling shareholders of **Series B** shares of Andina:

1. Mr. José Antonio Garcés Silva, RUT 3.984.154-1, direct owner of 0.01304% of **Series B** shares of Andina.

2. Mr. José Said Saffie, RUT 2.305.902-9, direct owner of 0.01304% of **Series B** shares of Andina.

controlling group



3. Mr. Alberto Hurtado Fuenzalida, RUT 2.593.323-0, direct owner of 0.01304% of **Series B** shares of Andina.

4. The estate of Mr. Jaime Said Demaría, RUT 1.719.263-9, direct owner of 0.01304% of **Series B** shares of Andina, today his children, Jaime Said Handal, RUT 4.047.015-8; Bárbara Said Handal, RUT 4.708.824-0; Javier Said Handal, RUT 6.384.873-5; Marisol Said Handal, RUT 6.384.872-7; Cristina Said Handal, RUT 5.522.896-5; and Gonzalo Said Handal, RUT 6.555.478-K.

5. Inversiones Nueva Sofía Limitada, RUT 76.366.690-5, today known as Inversiones Nueva Sofía S.A. since its transformation into a stock company by means of public deed dated December 22, 2009 of the Public Notary of Santiago of Mr. Félix Jara Cadot, direct owner of 6.75508164% of **Series B** shares of Andina. This company is controlled (100% of direct ownership) by the following people: José Antonio Garcés Silva, RUT 3.984.154-1; María Teresa Silva Silva, RUT 3.717.514-5; María Paz Garcés Silva, RUT 7.032.689-2; María Teresa Garcés Silva, RUT 7.032.690-6; José Antonio Garcés Silva, RUT 8.745.864-4; Matías Garcés Silva, RUT 10.825.983-3; and Andrés Garcés Silva, RUT 10.828.517-6; and Inversiones Milenio S.A., RUT 96.839.700-1. This company is controlled (100% direct and indirect ownership) by all the individuals mentioned in this paragraph 5.

6. Inversiones SH Seis Ltda., RUT 76.273.760-4, direct owner of 9.960839383% of **Series B** shares of Andina. This company is controlled (99.98% of direct and indirect ownership) by the following people: Jaime Said Handal, RUT 4.047.015-8; Bárbara Said Handal, RUT 4.708.824-0; Javier Said Handal, RUT 6.384.873-5; Marisol Said Handal, RUT 6.384.872-7; Cristina Said Handal, RUT 5.522.896-5; and Gonzalo Said Handal, RUT 6.555.478-K.

7. Inversiones Mar Adentro Limitada, RUT 96.935.980-4, direct owner of 10.25373358% of **Series B** shares of Andina. This company is controlled (61.37% of direct ownership) by Inversiones HB S.A., identified in the following paragraph 8.

8. Inversiones HB S.A., RUT 96.842.220-0, direct owner of 2.340789151% of **Series B** shares of Andina. This Company is controlled (100% of direct ownership) by the following people: Alberto Hurtado Fuenzalida, RUT 2.593.323-0; Madeline Hurtado Berger, RUT 7.050.867-2; and Pamela Hurtado Berger, RUT 7.050.827-3.

9. Inversiones Caburga Sociedad Anónima, RUT 96.854.480-2, direct owner of 8.418011713% of **Series B** shares of Andina. This company is controlled (50.8% of direct and indirect ownership) by the following people: José Said Saffie, RUT 2.305.902-9; Isabel Margarita Somavía Dittborn, RUT 3.221.015-5; Salvador Said Somavía, RUT 6.379.626-3; Isabel Said Somavía, RUT 6.379.627-1; Constanza Said Somavía, RUT 6.379.628-K; and Loreto Said Somavía, RUT 6.379.629-8.

10. Inversiones Ledimor Chile Limitada, RUT 77.862.680-2, direct owner of 4.643286609% of Series B shares of Andina. This company is controlled (81.88965% of direct ownership) by Ledimor Financial Corp.; this company has already been identified in the preceding paragraph 1.1.

The partners of Inversiones Freire Limitada and Inversiones Freire Dos Limitada, mentioned in preceding paragraphs 1 and 2 of letter A, have an agreement to act together which is formalized in the stipulations of the mentioned companies' bylaws. The natural and juridical people mentioned in the preceding letter B have an informal agreement to act together amongst each other and with the companies mentioned in letter A along with the

companies' partners, in accordance with Articles 97 and 98 of Law N° 18,045.

Therefore, Andina's controlling shareholders structured in accordance with the previous paragraphs, hold a 52.61431021% ownership of **Series A** shares and a 42.42393375% of **Series B** shares of Embotelladora Andina S.A.

The four members of the Controlling shareholder of Embotelladora Andina S.A. mentioned in paragraph 1.1 letter A above, respectively possess the following indirect ownership interests of Embotelladora Andina S.A.: Dolavan Finance Inc., 6.5765% of the **Series A** shares; Hydra Investment and Shipping Corporation Corp., 6.5762% of Series A shares and 3.2880% of **Series B** shares; Ledimor Financial Corp., 6.5322% of **Series A** shares and 2.8934% of **Series B** shares; and Wilsim Corporation, 6.5744% of **Series A** shares and 1.5431% of **Series B** shares.

As indicated on page 16 of this Annual Report, the only shareholder who is not a member of the Controlling shareholder, and that holds an ownership interest in Embotelladora Andina S.A. in excess of 10% is Coca-Cola de Chile S.A. with a 10.67% of direct ownership interest as of December 31, 2010.



## share trading information

During 2010 main shareholders, shareholders related to directors, shareholders related to the Controlling Group and Company officers did not report transactions of Series A or Series B shares. During 2009 no transactions were reported for Series A shares. During 2009 the following transactions were reported for the Series B shares both for the purpose of transfers:

2009 Series B	Relationship	Shares Purchased	Price (Ch\$)	Total Transaction (ThCh\$)	Shares Sold	Price (Ch\$)	Total Transaction (ThCh\$)
Inversiones Newport Limitada	Related to Director	-	-	-	37,864,863	1,730.10	65,509,999
Inversiones SH Seis Limitada	Related to Director	37,864,863	1,730.10	65,509,999	-	-	-



## stock market trading information

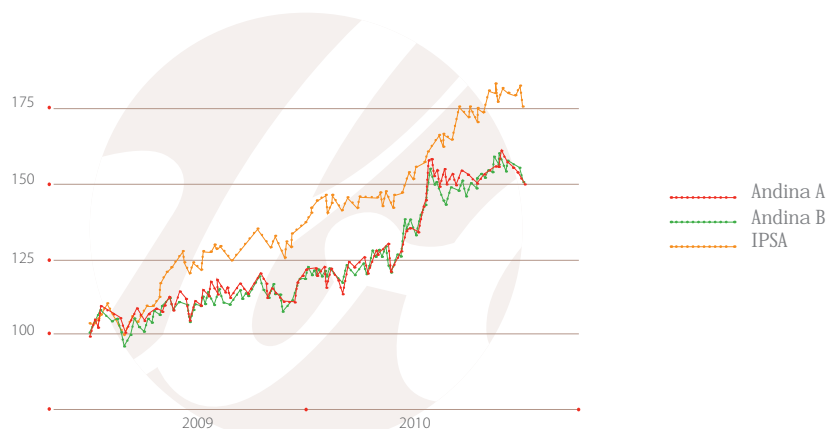
bolsa de comercio de santiago

Andina's shares are traded on the Chilean Stock Market since 1955. The Securities Registry N° is 00124. In 1997 there was a stock split dividing Andina's shares into two series. The ticker symbol on the Chilean Stock Exchange for Andina's shares is AndinaA and AndinaB. Andina's stock in Chile is handled by Sercor ([www.sercor.cl](http://www.sercor.cl)).

ANDINA - A				ANDINA - B			
	Shares traded (million)	Total Traded <sup>1</sup> (MCh\$)	Average Price (Ch\$)	Shares traded (million)	Total Traded <sup>1</sup> (MCh\$)	Average Price (Ch\$)	
2010	1st Quarter	10.79	16,187	1,500	20.29	36,337	1,791
	2nd Quarter	12.17	20,202	1,660	23.89	48,687	2,038
	3rd Quarter	10.95	22,672	2,071	45.21	105,427	2,332
	4th Quarter	20.94	40,191	1,919	42.16	98,976	2,348
2009	1st Quarter	4.08	5,120	1,255	14.60	20,939	1,434
	2nd Quarter	49.13	63,181	1,286	45.85	68,878	1,502
	3rd Quarter	2.89	3,990	1,381	38.23	62,162	1,626
	4th Quarter	7.55	10,824	1,434	26.78	46,358	1,731

<sup>1</sup>Total Traded calculated as the Average Price times the volume of Shares Traded. Source: Bloomberg

The following chart reflects the daily performance for the two-year period ending December 31, 2010 of Andina's series A and series B shares compared with the Chilean selective price index, IPSA (Base value = 100)





## stock market trading information

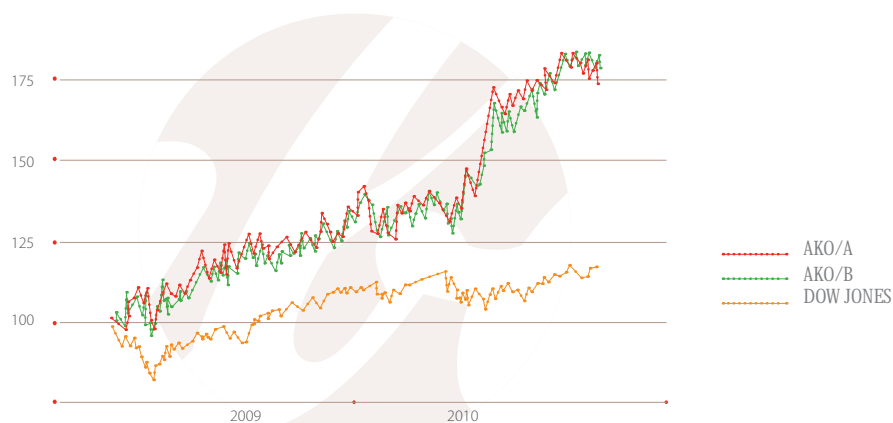
### new york stock exchange

Andina's ADRs were listed on the New York Stock exchange in 1994. One ADR is equal to 6 shares of common stock. In 1997 there was a stock split dividing Andina's shares into two series. The ticker symbol on the New York Stock Exchange for Andina's ADRs is AKO/A and AKO/B. The depositary bank for Andina's ADRs is The Bank of New York Mellon ([www.bnymellon.com](http://www.bnymellon.com)).

	AKO/A			AKO/B			
	ADRs traded (million)	Total Traded <sup>1</sup> (MUS\$)	Average Price (US\$)	ADRs traded (million)	Total Traded <sup>1</sup> (MUS\$)	Average Price (US\$)	
2010	1st Quarter	0.67	11.52	17.08	1.97	40.60	20.61
	2nd Quarter	0.49	9.02	18.29	1.02	22.74	22.30
	3rd Quarter	0.47	11.36	23.94	2.48	71.05	28.65
	4th Quarter	0.43	10.27	23.62	1.67	50.42	30.19
2009	1st Quarter	0.51	6.59	12.90	0.64	8.89	13.83
	2nd Quarter	0.17	2.52	14.77	1.18	18.68	15.83
	3rd Quarter	0.26	4.01	15.14	3.04	53.81	17.69
	4th Quarter	0.51	8.67	16.98	1.50	28.83	19.19

<sup>1</sup>Total traded calculated as the Average Price times volume of ADRs Traded. Source: Bloomberg

The following chart reflects the daily performance for the two-year period ending December 31, 2010 of Andina's series A and series B ADRs compared with the Dow Jones Industrial index. (Base value = 100)





## compensation board of directors and principal officers

2010	Directors' Compensation ThCh\$	Executive Committee ThCh\$	Directors' Committee ThCh\$	Audit Committee ThCh\$	Total ThCh\$
Juan Claro González	66,206	66,206	419	419	133,250
Gonzalo Said Handal	66,206	66,206	-	-	132,413
José Antonio Garcés Silva (hijo)	66,206	66,206	-	-	132,413
Arturo Majlis Albala	66,206	66,206	9,838	9,838	152,088
Salvador Said Somavía	66,206	66,206	10,257	10,257	152,926
Brian J. Smith	66,206	-	-	-	66,206
Heriberto Francisco Urzúa Sánchez	66,206	-	10,257	10,257	86,720
Ernesto Bertelsen Repetto	22,883	-	-	-	22,883
José María Eyzaguirre Baeza	22,883	-	-	-	22,883
Patricio Parodi Gil	22,883	-	-	-	22,883
Cristián Allende Arriagada	22,883	-	-	-	22,883
José Domingo Eluchans Urenda	22,883	-	-	-	22,883
Jorge Hurtado Garretón	22,883	-	-	-	22,883
Gonzalo Parot Palma	22,883	-	-	-	22,883
José Miguel Barros Van Hövell Tot Westerflie	-	-	-	-	-
Pedro Arturo Vicente Molina	-	-	-	-	-
James Robert Quincey Blakstad	-	-	-	-	-
<b>Total Gross Amounts</b>	<b>623,621</b>	<b>331,031</b>	<b>30,771</b>	<b>30,771</b>	<b>1,016,194</b>


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, 2010, compensation paid out to the principal officers of Embotelladora Andina S.A. amounted to Ch\$5,180

2009	Directors' Compensation ThCh\$	Executive Committee ThCh\$	Directors' Committee ThCh\$	Audit Committee ThCh\$	Total ThCh\$
Juan Claro González	48,727	48,727	2,514	2,514	102,482
Gonzalo Said Handal	48,727	48,727	-	-	97,455
José Antonio Garcés Silva (hijo)	48,727	48,727	-	-	97,455
Arturo Majlis Albala	48,727	48,727	-	-	97,455
Salvador Said Somavía	48,727	48,727	3,776	3,776	105,006
Brian J. Smith	36,578	-	-	-	36,578
Heriberto Francisco Urzúa Sánchez	48,727	-	4,606	4,606	57,940
Ernesto Bertelsen Repetto	19,491	-	-	-	19,491
José María Eyzaguirre Baeza	19,491	-	-	-	19,491
Patricio Parodi Gil	19,491	-	-	-	19,491
Cristián Alliende Arriagada	14,631	-	-	-	14,631
José Domingo Eluchans Urenda	19,491	-	-	-	19,491
Jorge Hurtado Garretón	19,491	-	-	-	19,491
Gonzalo Parot Palma	14,631	-	-	-	14,631
José Miguel Barros Van Hövell Tot Westerfliet	4,860	-	-	-	4,860
Pedro Arturo Vicente Molina	4,860	-	-	-	4,860
James Robert Quincey Blakstad	12,149	-	-	-	12,149
<b>Total Gross Amounts</b>	<b>477,528</b>	<b>243,637</b>	<b>10,896</b>	<b>10,896</b>	<b>742,956</b>

million (Ch\$4,422 million in 2009). Of the Ch\$5,180 million paid to the main officers of Embotelladora Andina S.A., the variable portion was 36% and for the period ended December 31, 2009 of the Ch\$4,422 million paid to the main officers of Embotelladora Andina S.A., the variable portion was 43%. Severance payments

to former managers or former principal officers of Embotelladora Andina S.A. for the period ended December 31, 2010 amounted to Ch\$1,644 million.



The Board of Directors of *Embotelladora Andina S.A.* and the Chief Executive Officer who have signed this statement, are responsible under oath of the accuracy of the information provided in this Annual Report, in accordance with the provisions of General Rule N° 283 dated February 5, 2010, of the Chilean Superintendence of Securities and Insurance (Superintendencia de Valores y Seguros).

## statement of responsibility

### JUAN CLARO

Chairman of the Board  
of Directors  
RUT: 5.663.828-8

### SALVADOR SAID

Director  
RUT: 6.379.626-3

### PATRICIO PARODI

Alternate Director  
RUT: 8.661.203-8

### JORGE HURTADO

Alternate Director  
RUT: 5.200.545-0

### JOSÉ ANTONIO GARCÉS

Vice Chairman of the Board  
of Directors  
RUT: 8.745.864-4

### BRIAN J. SMITH

Director  
Foreign citizen

### CRISTIÁN ALLIENDE

Alternate Director  
RUT: 6.379.873-8

### GONZALO PAROT

Alternate Director  
RUT: 6.703.799-5

### ARTURO MAJLIS

Director  
RUT: 6.998.727-3

### HERIBERTO URZÚA

Director  
RUT: 6.666.825-8

### JOSÉ MARÍA EYZAGUIRRE

Alternate Director  
RUT: 7.011.679-0

### JAIME GARCÍA

Chief Executive Officer  
RUT: 5.894.661-3

### GONZALO SAID

Director  
RUT: 6.555.478-K

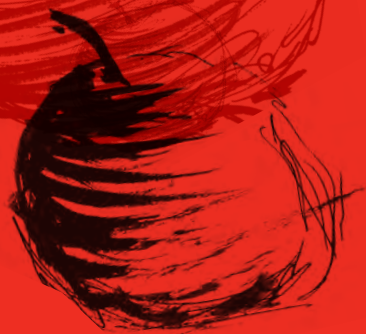
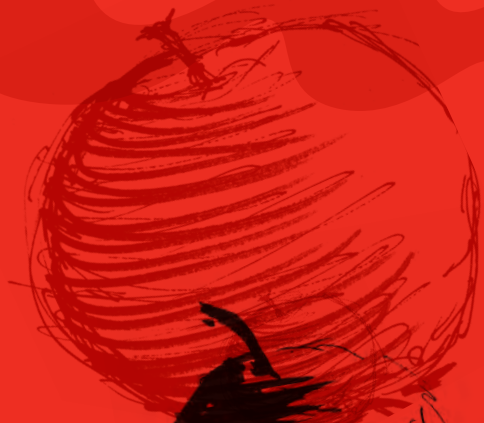
### ERNESTO BERTELSEN

Alternate Director  
RUT: 5.108.564-7

### JOSÉ DOMINGO ELUCHANS

Alternate Director  
RUT: 6.474.632-4







The contour Coca-Cola bottle design, elements of Coca-Cola marketing campaigns, logos and brands in the following list, are trademarks of The Coca-Cola Company: Coca-Cola, Fanta, Sprite, Andina, Aquarius, Benedictino, Burn, Cepita, Crush, Crystal, Dasani, Del Valle Mais, Gladiator, Hugo, I9, Kuat, Kapo, Leão Ice Tea, Nestea, Nordic Mist, Powerade, Quatro, Schweppes and Vital.

All artwork and illustrations contained in this annual report are the property of Embotelladora Andina S.A.

Finance and Investor Relations  
Corporate Office  
Embotelladora Andina S.A.

Design and Production  
Izquierdo Diseño  
Ximena Izquierdo  
Claudia Morales

Artwork  
Ximena Izquierdo  
Pedro Garretón  
March 2011



*our results*

## ***report of independent auditors***

Consolidated Financial Statements

at December 31, 2010 and 2009

Report of Independent Auditors  
Review of Financial Statements  
(Free translation of original in spanish)

To the  
Directors and Shareholders of  
Embotelladora Andina S.A. and Subsidiaries

We have audited the consolidated statements of financial position of Embotelladora Andina S.A. and subsidiaries as at December 31, 2010 and 2009, as well as the consolidated statements of opening financial position as at January 1, 2009 and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended as at December 31, 2010 and 2009. These financial statements (and their accompanying notes) are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards in Chile. 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 statements presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above represent fairly, in all material respects, the financial position of Embotelladora Andina S.A. and subsidiaries as at December 31, 2010 and 2009 and as at January 1, 2009, the results of its transactions and its cash flows for the year ended December 31, 2010 and 2009 according to International Financial Reporting Standards.

Víctor Zamora Q.

*Ernst & Young Ltda.*

Santiago, January 25, 2011

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Assets	Note	12/31/2010 ThCh\$	12/31/2009 ThCh\$	01/01/2009 ThCh\$
Current Assets:				
Cash and cash equivalents	5	96,219,208	112,445,009	129,218,871
Other financial assets	6	958,606	22,691,323	-
Other non-financial assets	7.1	10,712,132	10,086,541	7,270,555
Trade receivables and other accounts receivable, net	8	97,254,597	78,558,590	74,029,537
Intercompany accounts receivable	12.1	248,273	1,051,014	1,726,604
Inventories	9	49,939,194	40,908,937	35,443,903
Current tax assets / Tax receivables	10.1	2,288,725	4,563,058	7,089,181
<b>Total Current Assets</b>		<b>257,620,735</b>	<b>270,304,472</b>	<b>254,778,651</b>
Non-Current Assets:				
Other non-financial non-current assets	7.2	21,507,754	20,454,935	17,628,504
Trade receivables and other accounts receivable, net	8	7,804,481	5,817,177	8,542
Intercompany accounts receivable, net	12.1	8,847	37,869	34,719
Investments in equity investees accounted for by the equity method	14	50,754,168	34,731,218	32,822,541
Intangible assets, net	15.1	1,365,595	2,117,333	2,455,762
Goodwill	15.2	57,770,335	61,360,345	65,269,071
Property, plant and equipment, net	11	291,482,180	247,869,091	248,747,764
Deferred tax assets	10.4	6,891,609	6,252,523	6,382,129
<b>Total Non-Current Assets</b>		<b>437,584,969</b>	<b>378,640,491</b>	<b>373,349,032</b>
<b>Total Assets</b>		<b>695,205,704</b>	<b>648,944,963</b>	<b>628,127,683</b>

Notes 1 to 29 form an integral part of these financial statements.

# **CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

at December 31, 2010, December 31, 2009 and January 1, 2009

Liabilities and Net Shareholders' Equity	Note	12/31/2010 ThCh\$	12/31/2009 ThCh\$	01/01/2009 ThCh\$
Current Liabilities:				
Other financial liabilities	16	11,996,399	5,799,881	11,504,242
Payables and other accounts payable	17	105,282,335	82,302,124	79,549,681
Intercompany accounts payable	12.2	14,323,473	13,757,847	16,528,635
Provisions	18	60,748	38,879	43,440
Taxes payable	10.2	4,009,389	5,676,913	2,927,434
Other non-financial liabilities	19	31,879,967	30,234,814	31,532,517
<b>Total Current Liabilities</b>		<b>167,552,311</b>	<b>137,810,458</b>	<b>142,085,949</b>
Non-Current Liabilities:				
Other non-current financial liabilities	16	70,449,459	73,149,674	80,247,530
Intercompany accounts payable	12.2	-	2,565,767	3,137,347
Provisions	18	4,267,619	4,457,107	2,887,777
Deferred tax liabilities	10.4	42,492,348	39,435,167	34,578,183
Post-employment benefit liabilities	13.2	7,256,590	8,401,791	8,034,813
Other non-current liabilities	19	8,322,781	9,567,264	10,861,802
<b>Total Non-Current Liabilities</b>		<b>132,788,797</b>	<b>137,576,770</b>	<b>139,747,452</b>
Net Shareholders' Equity:	20			
Issued capital		230,892,178	230,892,178	236,327,716
Retained earnings		180,110,975	147,508,036	109,955,729
Other reserves		(16,146,887)	(4,851,620)	-
<b>Net Shareholders' Equity attributable to Equity Shareholders of the Parent</b>		<b>394,856,266</b>	<b>373,548,594</b>	<b>346,283,445</b>
Non-controlling interests		8,330	9,141	10,837
<b>Total Shareholders' Equity</b>		<b>394,864,596</b>	<b>373,557,735</b>	<b>346,294,282</b>
<b>Total Liabilities and Net Shareholders' Equity</b>		<b>695,205,704</b>	<b>648,944,963</b>	<b>628,127,683</b>

Notes 1 to 29 form an integral part of these financial statements.

## CONSOLIDATED INCOME STATEMENTS BY FUNCTION

for the years ended December 31, 2010 and 2009

Consolidated Income Statement	Note	01/01/2010 12/31/2010 ThCh\$	01/01/2009 12/31/2009 ThCh\$
Net sales		888,713,882	785,845,050
Cost of sales		(504,515,568)	(453,035,902)
<b>Gross Profit</b>		<b>384,198,314</b>	<b>332,809,148</b>
Other operating income	24	1,117,879	697,813
Distribution costs		(83,141,545)	(71,390,766)
Administrative expenses		(151,823,184)	(128,295,563)
Other expenses by function	25	(7,775,824)	(4,794,151)
Other income (expenses)	27	(484,641)	674,173
Finance income	26	3,376,138	3,951,779
Finance costs	26	(7,401,831)	(8,123,504)
Share in profit of equity investees accounted for using the equity method	14.2	2,314,935	1,603,898
Foreign exchange difference		(222,168)	(620,596)
Profit because of units of adjustment		(217,769)	639,672
<b>Gains before taxes</b>		<b>139,940,304</b>	<b>127,151,903</b>
Income tax expense	10.3	(36,340,240)	(29,166,425)
<b>Net income for the Fiscal Year</b>		<b>103,600,064</b>	<b>97,985,478</b>
<b>Net Income Attributable</b>	<b>20</b>		
Net income attributable to equity holders of the parent		103,597,372	97,982,730
Net income attributable to non-controlling interests		2,692	2,748
<b>Net income for the Fiscal Year</b>		<b>103,600,064</b>	<b>97,985,479</b>
<b>Net Income per Share</b>		<b>Ch\$</b>	<b>Ch\$</b>
Net income per Series A Share		129.78	122.75
Net income per Series B Share		142.75	135.02

Notes 1 to 29 form an integral part of these financial statements.



# **CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

for the years ended December 31, 2010 and 2009

		01/01/2010 12/31/2010 ThCh\$	01/01/2009 12/31/2009 ThCh\$
Consolidated Statements of Comprehensive Income	Note		
Net income for the fiscal year		103,600,064	97,985,478
Other comprehensive income and expenses debited or credited to net Shareholders' Equity			
Foreign exchange translation adjustment, before taxes	20	(11,883,798)	(14,745,854)
Tax benefit related to losses from foreign exchange rate differences from other comprehensive income		585,028	4,454,252
<b>Comprehensive Income for the Fiscal Year</b>		<b>92,301,294</b>	<b>87,693,876</b>
 Comprehensive Income and Expenses Attributable to			
Controlling shareholders		92,302,105	87,695,572
Non-controlling interests		(811)	(1,696)
<b>Total Comprehensive Income</b>		<b>92,301,294</b>	<b>87,693,876</b>

Notes 1 to 29 form an integral part of these financial statements.

## CONSOLIDATED STATEMENT OF CASH FLOWS

for the Years ended December 31, 2010 and 2009

	Note	01/01/2010 12/31/2010 ThCh\$	01/01/2009 12/31/2009 ThCh\$
<b>Operating Activities</b>			
Types cash flows provided by operating activities			
Receipts from customers		1,197,298,500	1,070,940,290
Insurance policies' indemnization		1,490,134	85,684
Types of cash flows used in operating activities			
Supplier payments		(838,600,354)	(701,721,831)
Payroll		(81,670,428)	(64,228,027)
Dividends classified as from operations		1,379,837	2,009,793
Interest payments classified as from operations		(5,876,763)	(11,616,256)
Interest received classified as from operations		2,406,821	5,704,250
Income tax payments		(14,598,638)	(26,492,827)
Cash flows used in other operating activities		(135,981,400)	(143,554,656)
<b>Net Cash Flows provided by Operating Activities</b>		<b>125,847,709</b>	<b>131,126,420</b>
<b>Cash Flows Used in Investment Activities</b>			
Cash flows used to acquire non-controlling interests		(15,229,291)	(937,607)
Proceeds from sale of property, plant and equipment		590,074	435,013
Purchase of property, plant and equipment		(95,461,555)	(49,482,837)
Payments derived from forward agreements		(2,368,356)	(342,213)
Collections from forward agreements		5,336,646	1,039,841
Cash flows provided by (used in) other investment activities		24,930,644	(24,890,040)
<b>Net Cash Flows Used in Investment Activities</b>		<b>(82,201,838)</b>	<b>(74,177,843)</b>
<b>Cash Flows Used in Financing Activities</b>			
Short term loans obtained		30,023,277	18,075,837
<b>Cash flows provided by loans</b>		<b>30,023,277</b>	<b>18,075,837</b>
Loan payments		(23,328,736)	(22,159,302)
Dividend payments by the reporting entity		(66,524,747)	(62,348,379)
Payments to purchase other financial assets		(2,717,533)	(1,324,466)
<b>Net Cash Flows Used in Financing Activities</b>		<b>(62,547,739)</b>	<b>(67,756,310)</b>
<b>Decrease in cash and cash equivalents, before effects of variations in foreign exchange rates</b>		<b>(18,901,868)</b>	<b>(10,807,733)</b>
Effects of variations in foreign exchange rates on cash and cash equivalents		2,676,067	(5,966,129)
<b>Net decrease in cash and cash equivalents</b>		<b>(16,225,801)</b>	<b>(16,773,862)</b>
Cash and Cash Equivalents – Beginning of Year Balance	5	112,445,009	129,218,871
<b>Cash and Cash Equivalents - End of Year Balance</b>	<b>5</b>	<b>96,219,208</b>	<b>112,445,009</b>

Notes 1 to 29 form an integral part of these financial statements.

# STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

at December 31, 2010 and 2009

	Issued Capital ThCh\$	Other reserves			Retained earnings ThCh\$	Controlling Shareholders' Equity ThCh\$	Non- Controlling interest ThCh\$	Total Shareholders' Equity ThCh\$
		Translation reserves ThCh\$	Other reserves (various) ThCh\$	Total other reserves 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 Shareholders' 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 Shareholders' 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 ThCh\$	Other reserves			Retained earnings ThCh\$	Controlling Shareholders' Equity ThCh\$	Non- Controlling interest ThCh\$	Total Shareholders' Equity ThCh\$
		Translation reserves ThCh\$	Other reserves (various) ThCh\$	Total other reserves ThCh\$				
Initial balance at 01/01/2009	236,327,716	-	-	-	109,955,729	346,283,445	10,837	346,294,282
Changes in Shareholders' 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)
Increase (decrease) due to transfers and other changes	(5,435,538)	-	5,435,538	5,435,538	-	-	-	-
Total changes in Shareholders' 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

Notes 1 to 29 form an integral part of these financial statements.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS



### Note 1 Corporate information

Embotelladora Andina S.A. is registered under No. 00124 of the Securities Registry and is regulated by Chilean the 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. The license for those territories expires in 2012. All these licenses are issued at the discretion of The Coca-Cola Company. It is expected that they will be renewed upon expiration.

At December 31, 2010, the Freire Group and related companies controlled the company with 52.61% 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.



### Note 2 Basis of preparation of pro forma consolidated financial statements and summary of significant accounting policies

#### 2.1 Comparability of information

The Company adopted International Financial Reporting Standards as of January, 2010 with a transition date of January 1, 2009, which is the date of conversion to International Financial Reporting Standards. As of the 2010 fiscal year, financial information is presented under IFRS in comparison to the 2010 fiscal year, including an explicit and unqualified statement of compliance with IFRS in an explanatory note to the financial statements.

#### 2.2 Years covered

These Consolidated Financial Statements encompass the following years:

**Consolidated Statements of Financial Position:** The years ended December 31, 2010, at December 31, 2009 and at January 1, 2009.

**Consolidated Statements of Comprehensive Income by Function and Consolidated Statements of Cash Flows:** The years from January 1 to December 31, 2010 and 2009.

**Statements of Changes in Shareholders' Equity:** Balances and activity between January 1 and December 31, 2010 and 2009.

#### 2.3 Basis of preparation

The Company's Consolidated Financial Statements for the year ended December 31, 2010 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, 2010 and 2009 and as of January 1, 2009 along with comprehensive income and changes in shareholders' equity and cash flows for the years then ended, which were approved by the Board of Directors during session held on January 25, 2011.

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



## 2.4 Basis of consolidation

### 2.4.1 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, 2010, December 31, 2009 and January 1, 2009; and income and cash flows for the years ended December 31, 2010 and 2009. Income or losses from subsidiaries acquired or sold are included in the Consolidated Statement of Comprehensive Income 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 net Shareholders' Equity; non-controlling interests, in the Consolidated Statement of Financial Position and in "Gain Attributable to non-controlling interests," in the Consolidated Statement of Comprehensive Income.

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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

Taxpayer ID	Name of the Company	Percentage Interest		
		12/31/2010		
		Direct	Indirect	Total
59,144,140-K	Abisa Corp.	-	99.99	99.99
96,842,970-1	Andina Bottling Investments S.A.	99.90	0.09	99.99
96,836,750-1	Andina Inversiones Societarias S.A.	99.99	-	99.99
96,972,760-9	Andina Bottling Investments Dos S.A.	99.90	0.09	99.99
Foreign	Embotelladora del Atlántico S.A.	-	99.98	99.98
Foreign	Rio de Janeiro Refrescos Ltda.	-	99.99	99.99
78,536,950-5	Servicios Multivending Ltda.	99.90	0.09	99.99
78,861,790-9	Transportes Andina Refrescos Ltda.	99.90	0.09	99.99
93,899,000-K	Vital S.A.	-	99.99	99.99
76,070,406-7	Embotelladora Andina Chile S.A.	99.90	0.09	99.99

### 2.4.2 Investments in associates accounted for using the equity method

Associates are all entities over which the Group exercises a material influence but does not have control. Generally, it holds an interest of 20% to 50% in the voting rights of associates. Investments in associates are accounted for using the equity method and are initially recognized at cost.

The Group's share in losses or gains 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.

### 2.5 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 the 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

### 2.6 Foreign currency translation

#### 2.6.1 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 pesos, which is the Company's functional currency and presentation currency.



## 2.6.2 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 comprehensive income account.

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

Date	Parities compared to the Chilean peso			
	US\$ dollar	Brazilian Real	Argentine Peso	Unidad de Fomento
12/31/2010	468.01	280.89	117.71	21,455.55
12/31/2009	507.10	291.24	133.45	20,942.88
01/01/2009	636.45	272.34	184.32	21,452.57

## 2.6.3 Companies in the group

The income statement and financial position 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.	Brazilian Real R\$
Embotelladora del Atlántico S.A.	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.

## 2.7 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. 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The estimated years of useful life are:

Assets	Range of years
Buildings	30-50
Plant and Equipment	10-20
Fixed installations and accessories	
Fixed installations	10-30
Other accessories	4-5
Motor vehicles	5-7
Other property, plant and equipment	3-8
Bottles	3-7

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.

### 2.8 Intangible assets

#### 2.8.1 Goodwill

The 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.

#### 2.8.2 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.

### 2.9 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 assets 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 have suffered an impairment loss are reviewed at each reporting date to determine whether there were any reversals of the loss.





## 2.10 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 available for sale. 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.

### 2.10.1 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.

### 2.10.2 Loans and accounts receivable

Loans and accounts receivable are not quoted on an active market. They are recorded in current assets, unless they expire in 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 statement of financial position.

### 2.10.3 Financial assets held to maturity

Financial assets held to maturity are financial assets that the Group's management has the positive intention and ability to hold until their maturity. If the Group sells a material amount of the financial assets held to maturity, the entire category will be reclassified as available for sale. These available-for-sale financial assets are included in non-current assets unless they expire in less than 12 months from the reporting date, in which case they are classified as current assets.

Profits from recognizing amortized cost of the financial assets held to maturity are recognized in the income statement under finance income during the year in which they occur.

## 2.11 Derivatives and hedging

The derivatives held by the Company correspond to transactions hedged against foreign 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 "hedge assets". If negative, they are recorded under "hedge liabilities."

Changes in the fair value of these derivatives are taken directly to the income statement, unless they have been designated as a hedging instrument and meet the conditions specified in IFRS to use hedge accounting.

The Company's hedge agreements do not qualify as hedges pursuant to IFRS requirements. Therefore, the changes in fair value are immediately recognized in the income statement under "other profits/(losses)-net".

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

The Company is also evaluating 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 32 and 39.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 2.12 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 normal 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.

### 2.13 Trade and other accounts 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 marketing costs in the income statement.

### 2.14 Cash and cash equivalents

Cash and cash equivalents include cash on hand, time deposits in banks and other short-term, highly liquid investments originally expiring in 3 months or less.

### 2.15 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.

### 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 liability method on the temporary differences between the tax basis of assets and liabilities and their carrying amounts in the annual consolidated accounts. However, deferred taxes are not recognized when they arise from the initial recognition of a liability or asset in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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.



## 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.

When there are several similar obligations, the probability that an outflow of resources will be required for settlement is determined considering the class of obligations as a whole. A provision is recognized even if the probability of an outflow of resources for any item included in the same class of obligations may be remote.

## 2.19 Bottle deposits

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

This liability represents the value of the deposit that must be returned if the client or the distributor returns the bottles and cases to us in good condition, along with the original invoice. Estimation of this liability is based on an inventory of bottles given as a loan to clients and distributors, the estimated amount of bottles in circulation and a historical average weighted value per bottle or case. In addition, since the amount of bottles and cases has normally increased throughout time, this liability is recorded as non-current.

This liability is recorded under other non-current liabilities, considering that historically, more bottles are placed on the market in a year of operation than are returned by customers in the same 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. The resulting accounting estimates will, by definition, rarely match the real outcome. The estimates and judgments that might have a material impact on future financial statements are explained below.

### 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 our 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. 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 2.22.2 Provision for doubtful receivables

We evaluate the possibility of collecting trade accounts receivable using several factors. When we become aware of a specific inability of a customer to fulfill its financial commitments to us, a specific provision for doubtful accounts is estimated and recorded, which reduces the recognized receivable to the amount that we 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 our trade accounts receivable, both outstanding and past due, among other factors. The balance of our trade accounts receivable was ThCh\$105,059,078 at December 31, 2010, net of an allowance for doubtful accounts provision of ThCh\$1,225,556. 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 our business model, or changes in our capital strategy might modify the effective useful life as compared to our estimates. Whenever we determine that the useful life of property, plant and equipment might be shortened, we depreciate 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. We review 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. Our 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 bottle and case collateral

The Company records a liability represented by deposits received in exchange for bottles and cases provided to our 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. Moreover, since the number of bottles and cases has generally increased over time, the liability is presented as long term. 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 Interpretation Committee.

The following IFRS standards and interpretations of the IFRIC have been issued:

New Standards	Mandatory effective date
IFRS 7 Financial instruments: Disclosure and transfer of financial assets	July 1, 2011
IFRS 9 Financial instruments: Classification and measurement	January 1, 2013
Improvements and amendments	Mandatory effective date
IAS 12 Deferred taxes: Recovery of underlying assets	January 1, 2012
IAS 24 Related party disclosures	January 1, 2011
Amendment IFRIC 14 Minimum financing prepayment requirements	January 1, 2011
IFRS improvements May 2010: Series of Amendments to seven International Financial Reporting Standards	January 1, 2011

The Management of the Company and its subsidiaries believe that adopting the standards, amendments, and interpretations indicated above will have no material impact on the Consolidated Financial Statements of Embotelladora Andina S.A. in the year of initial application.



### Note 3 First-time adoption of ifrs

Embotelladora Andina S.A. and Subsidiaries have implemented IFRS starting January 1, 2010 and present financial statements according to IFRS with comparatives for 2009.

The transition date for Embotelladora Andina and Subsidiaries is January 1, 2009.

These Financial Statements have been prepared according to IFRS issued until this date and under the premise that such standards will be the same applicable in adopting IFRS as of the 2010 fiscal year, comparatively to the 2009 fiscal year.

Sections 3.1, 3.2 and 3.3 present the reconciliations required by IFRS N°1 between the beginning and closing balances of the year ending December 31, 2009 and the year ended December 31, 2009; and the beginning balances as of January 1, 2009, after applying these standards.

The exemptions in IFRS 1 that the Company decided to apply in its IFRS adoption are:

i) Business combinations:

The Company did not retroactively restate business combinations that took place prior to January 1, 2009.

ii) Fair value or revaluation as deemed cost.

The Company considered the valuation of certain items in property, plant, and equipment as the fair value to be used as the deemed cost on the transition date. Those assets comprise virtually all of the land of our operations in Chile, Argentina and Brazil and selected real estate, machinery and equipment, the values of which, in local currency, were significantly different from the fair values determined by valuation.

The group of assets of Chilean Companies for which the fair value was not assigned as deemed cost was valued at historical cost, plus a legal price-level restatement to represent the deemed cost on the transition date.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### iii) Cumulative actuarial gains and losses for post-employment benefits:

The effects of applying actuarial calculations to post-employment benefits were recognized directly in accrued income as of January 1, 2009.

### iv) Translation reserves:

The Company considered all cumulative translation reserves at the transition date to be nil or zero.

Below is a detailed description of the main differences between Generally Accepted Accounting Principles in Chile (Chile GAAP) and International Financial Reporting Standards (IFRS) applied by the Company, and of the impact on Shareholders' Equity at December 31, 2009, and January 1, 2009 and on the net income at December 31, 2009:

### 3.1 Reconciliation of Net Shareholders' Equity from generally accepted accounting principles in Chile to International Financial Reporting Standards at January 1, and December 31, 2009:

		12/31/2009 ThCh\$	01/01/2009 ThCh\$
<b>Shareholders' Equity according to Chilean GAAP</b>		<b>336,578,506</b>	<b>346,248,602</b>
<b>Adjustments to IFRS</b>			
Property, plant and equipment, re-valuation and change in functional currency	3.4.1	42,893,951	28,469,859
Change in functional currency and suspension of goodwill amortization	3.4.2	15,085,550	-
Post-employment benefits	3.4.4	1,554,045	1,114,217
Reversal of price-level restatement	3.4.6	2,520,859	-
Hedging instruments	3.4.7	(2,079,511)	173,211
Deferred taxes	3.4.8	(17,205,160)	(20,324,257)
Investments in associates	3.4.9	3,591,820	1,400,227
Non-controlling interests		9,141	10,837
Other		(51,493)	481,399
<b>Subtotal</b>		<b>382,897,708</b>	<b>357,574,095</b>
Minimum dividend	3.4.10	(9,339,973)	(11,279,813)
<b>Net Shareholders' Equity according to IFRS</b>		<b>373,557,735</b>	<b>346,294,282</b>



### 3.2 Reconciliation of the year's income from Chile GAAP to IFRS at December 31, 2009:

		12/31/2009 ThCh\$
Income according to Chilean GAAP		86,918,333
Adjustments to IFRS		
Depreciation	3.4.1	(4,276,931)
Goodwill amortization	3.4.2	6,094,120
Intercompany account considered investment in subsidiary	3.4.3	13,804,730
Post-employment benefits	3.4.4	439,828
Reversal of translation adjustment according to Chilean standard	3.4.5	(4,977,864)
Translation of income at average foreign exchange rate	3.4.5	2,412,869
Reversal of price-level restatement	3.4.6	(1,240,956)
Hedging instruments	3.4.7	(2,252,722)
Deferred taxes	3.4.8	1,476,431
Investments in associates	3.4.9	(382,625)
Non-controlling interests		2,748
Other		(32,483)
Statement of Income according to IFRS		97,985,478

### 3.3 Reconciliation of Net Cash Flows and Cash Equivalents from Chilean GAAP to IFRS at December 31, 2009:

Description	Operating Activities at 12/31/2009 ThCh\$	Investment Activities at 12/31/2009 ThCh\$	Financing Activities at 12/31/2009 ThCh\$
Cash flows in accordance with previous standards	122,051,640	(72,136,450)	(67,531,694)
Exchange rate effects due to IFRS implementation	9,074,780	(2,041,393)	(224,616)
Cash flows in accordance with IFRS	131,126,420	(74,177,843)	(67,756,310)

Description	Net Cash Flow at 12/31/2009 ThCh\$	Inflationary effects at 12/31/2009 ThCh\$	Beginning balance at 12/31/2009 ThCh\$
Cash flows in accordance with previous standards	(17,616,504)	3,814,675	126,246,838
Exchange rate effects due to IFRS implementation	6,808,771	(9,780,804)	2,972,033
Cash flows in accordance with IFRS	(10,807,733)	(5,966,129)	129,218,871

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 3.4 Explanation of main differences between Chilean GAAP and IFRS

#### 3.4.1 Property, plant and equipment

The Company revalued property, plant, and equipment in order to consider their fair value as deemed cost on the transition date. Those assets comprise virtually all of the land of our operations in Chile, Argentina and Brazil and selected real estate, machinery and equipment whose value in local currency was significantly different from the fair values determined in valuations.

The group of assets of Chilean Companies for which the fair value was not used as the deemed cost was valued at historical cost, plus legal price-level restatement, as the deemed cost on the transition date.

Moreover, according to Chilean GAAP, property, plant and equipment of operations in Brazil and Argentina were controlled in U.S. Dollars while according to IFRS, those same assets are now controlled in the functional currency of each of the countries of origin.

According to the changes in the initial balances for property, plant and equipment described above, there was a greater charge against income that is presented in the reconciliation of income between Chilean GAAP and IFRS.

The amount shown in property, plant and equipment totaled, on a consolidated basis, ThCh\$223,676,043 at December 31, 2008 according to Chilean GAAP.

#### 3.4.2 Goodwill

The equity adjustment originates in the change in functional currency between Chilean GAAP and IFRS. According to Chilean GAAP, goodwill on the operations in Argentina and Brazil was controlled in dollars while under IFRS, it is controlled directly in the functional currency of each country.

The effects on income presented in the reconciliation between Chilean GAAP and IFRS come from suspending the straight-line amortization that had been performed through December 31, 2009. Under IFRS, those amounts are not amortizable and the value is reduced only provided the impairment test shows a recoverable amount that is less than the carrying value.

#### 3.4.3 Intercompany account treated as investment in subsidiary

Within its corporate structure, the Company has intercompany accounts receivable in U.S. dollars from its subsidiaries abroad. According to Chilean GAAP, the foreign exchange rate differences originating in the Chilean Companies resulting from these accounts receivable were accounted for directly in income, while the foreign subsidiaries recognized this effect and the rest of the items controlled in U.S. dollars as a translation effect in the income statement. Under IFRS, those U.S. dollar accounts receivable and accounts payable have been assigned as part of the foreign investment, therefore any difference between the U.S. dollar and the functional currency of each of the entities is accounted for under other comprehensive income.

#### 3.4.4 Post-employment benefits

Under IFRS, the employee severance indemnity based on individual or collective employment contracts creates a liability that must be determined by the actuarial value of the accrued cost of the benefit. This means making estimates of variables such as future permanence, the interest rate at which benefits are discounted, mortality rate, employee turnover rate and future salary increases, among others. According to Chilean GAAP, this same obligation was recognized at the actual value according to the benefit accrued cost and a year of capitalization that considered the expected time of employment of employees on the date of their retirement.

The difference derived from applying actuarial calculations to the employee severance benefits is shown in the reconciliation of shareholders' equity and income statement between Chilean GAAP and IFRS.





#### 3.4.5 Foreign currency translation effects

Under Chilean GAAP, according to Bulletin 64 of the Chilean Accountants Association, the non-monetary assets and liabilities of foreign companies were controlled in historic dollars and results were translated from local currency to the control currency (U.S. dollar). Subsequently the figures in the control currency were translated to Chilean pesos at the closing foreign exchange rate.

According to IFRS, non-monetary asset and liability accounts are controlled in the functional currency of each reporting entity and income accounts are translated at the functional currency of the parent company at the average foreign exchange rate for each transaction.

In the reconciliation of results between Chilean GAAP and IFRS, the foreign currency translation effects recognized under Chilean standards have been reversed and the income that results from the foreign currency translation to IFRS has been recognized.

#### 3.4.6 Price-level restatement

Accounting principles in Chile require that the financial statements be adjusted to reflect the effect exerted by variations in of the purchasing power of the Chilean peso on the financial position and operating income of the reporting entities. This method was based on a model that required calculating the profit or loss from net inflation attributed to monetary assets and liabilities exposed to variations in the purchasing power of the local currency. The historical cost of non-monetary assets and liabilities, shareholders' equity accounts and income accounts are restated to reflect variations in the CPI from the date of acquisition to the close of the fiscal year.

The gain or loss in the purchasing power, included in net income or losses, reflected the effects of inflation on monetary assets and liabilities held by the Company.

IFRS does not require indexing by inflation in countries, like Chile, that are not hyperinflationary. So, the income statement and statement of financial position accounts are not adjusted for inflation, and variations are nominal. The reconciliation of shareholders' equity and income between Chilean GAAP and IFRS shows the effects of eliminating price-level restatement recorded during 2009.

#### 3.4.7 Hedging instruments

The Company holds hedging agreements to hedge foreign exchange rates, prices of raw materials and adjustment indicators. Under Chilean GAAP, pursuant to Technical Bulletin 57, these were appraised according to variations in their fair value. The effects on income in those items defined as expected hedging transactions of items are deferred until settlement. However, under IFRS, these agreements have not demonstrated effective hedging, so the effects on variations in their fair value are charged directly to income at each year end.

#### 3.4.8 Deferred taxes

Differences from deferred taxes correspond to deferred taxes recognized according to the new treatment of each of the financial items according to IFRS as well as the reversal of the complementary deferred tax accounts in effect under Chilean GAAP at December 31, 2008.

#### 3.4.9 Investment in associates

This corresponds to the effects of IFRS adoption by companies in which the parent company holds investments accounted for using the equity method.

#### 3.4.10 Minimum dividend

Chilean Company Law requires companies to pay a cash dividend of at least 30% of net profits, unless otherwise decided by shareholders. Since paying a dividend on net profits in each year is a requirement, under IFRS, the dividend liability pursuant to Chilean law must be recorded on an accrual basis. This liability did not exist under Chilean GAAP.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS



### Note 4 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 total income by segment includes sales to unrelated customers, as indicated in the Company's consolidated statement of income, as well as inter-segment sales.



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

For the year ended December 31, 2010	Chile Operation ThCh\$	Argentina Operation ThCh\$	Brazil Operation ThCh\$	Eliminations ThCh\$	Consolidated Total ThCh\$
Operating income from external customers	295,658,591	185,273,657	407,781,634	-	888,713,882
Interest income	1,176,029	253,667	1,946,442	-	3,376,138
Interest expense	(5,256,730)	(1,069,665)	(1,075,436)	-	(7,401,831)
<b>Interest income, net</b>	<b>(4,080,701)</b>	<b>(815,998)</b>	<b>871,006</b>	<b>-</b>	<b>(4,025,693)</b>
Depreciation and amortization	(15,958,801)	(7,204,876)	(13,850,832)	-	(37,014,509)
Sums of significant income items	868,878	81,927	2,539,815	-	3,490,620
Sums of significant expense items	(236,598,062)	(164,453,198)	(346,512,976)	-	(747,564,236)
<b>Gain (loss) of the segment reported</b>	<b>39,889,905</b>	<b>12,881,512</b>	<b>50,828,647</b>	<b>-</b>	<b>103,600,064</b>
Share of the entity in income of associates accounted for using the equity method	519,441	-	1,795,494	-	2,314,935
Income tax expense (income)	(7,632,006)	(6,963,258)	(21,744,976)	-	(36,340,240)
<b>Segment assets</b>	<b>324,947,619</b>	<b>84,478,546</b>	<b>285,779,539</b>	<b>-</b>	<b>695,205,704</b>
Carrying amount in associates and joint ventures accounted for using the equity method	25,772,670	-	24,981,498	-	50,754,168
Disbursements of non-monetary assets of the segment total for segments	49,487,257	9,867,356	50,836,233	-	110,190,846
<b>Liabilities of the segments</b>	<b>127,917,724</b>	<b>44,719,133</b>	<b>127,704,251</b>	<b>-</b>	<b>300,341,108</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ending December 31, 2009	Chile Operation ThCh\$	Argentina Operation ThCh\$	Brazil Operation ThCh\$	Eliminations ThCh\$	Consolidated Total ThCh\$
Operating income from external customers	273,098,100	173,200,576	339,546,374	-	785,845,050
Operating income between segments	-	1,237,173	-	(1,237,173)	-
Finance income	2,957,370	60,876	933,533	-	3,951,779
Finance expense	(5,423,157)	(684,661)	(2,015,686)	-	(8,123,504)
<b>Finance income, net</b>	<b>(2,465,787)</b>	<b>(623,785)</b>	<b>(1,082,153)</b>	<b>-</b>	<b>(4,171,725)</b>
Depreciation and amortization	(16,629,416)	(8,126,684)	(12,050,568)	-	(36,806,668)
Sums of significant income items	1,235,517	121,055	3,953,014	-	5,309,586
Sums of significant expense items	(215,071,827)	(152,654,007)	(285,702,104)	1,237,173	(652,190,765)
<b>Gain (loss) of the segment reported</b>	<b>40,166,587</b>	<b>13,154,328</b>	<b>44,664,563</b>	<b>-</b>	<b>97,985,478</b>
Share of the entity in income of associates accounted for by the equity method	366,146	-	1,237,752	-	1,603,898
Income tax expense (income)	(4,859,074)	(7,299,694)	(17,007,657)	-	(29,166,425)
<b>Segment assets</b>	<b>322,224,369</b>	<b>81,920,589</b>	<b>244,800,005</b>	<b>-</b>	<b>648,944,963</b>
Carrying amount in associates and joint ventures accounted for using the equity method	26,149,730	-	8,581,488	-	34,731,218
Disbursements of non-monetary assets of the segment, total for segments	23,654,231	7,656,260	19,109,953	-	50,420,444
<b>Liabilities of the segments</b>	<b>122,020,055</b>	<b>38,263,173</b>	<b>115,104,000</b>	<b>-</b>	<b>275,387,228</b>



## Note 5 Cash and cash equivalents

Cash and cash equivalents are detailed as follows as of December 31, 2010, December 31, 2009 and January 1, 2009:

Description	12/31/2010 ThCh\$	12/31/2009 ThCh\$	01/01/2009 ThCh\$
<b>By item</b>			
Deposits	76,351,123	73,686,670	81,721,480
Bank Balances	13,267,099	20,162,614	19,864,906
Mutual Fund Investments	5,561,034	18,541,091	26,281,105
Cash	1,039,952	54,634	1,351,380
<b>Cash and cash equivalents</b>	<b>96,219,208</b>	<b>112,445,009</b>	<b>129,218,871</b>
By currency	12/31/2010 ThCh\$	12/31/2009 ThCh\$	01/01/2009 ThCh\$
Dollar	3,308,523	6,321,415	25,546,100
Argentine Peso	1,705,533	602,067	2,366,465
Chilean Peso	73,602,633	82,792,844	93,910,652
Real	17,602,519	22,728,683	7,395,654
<b>Cash and cash equivalents</b>	<b>96,219,208</b>	<b>112,445,009</b>	<b>129,218,871</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 5.1 Time Deposits

Time deposits defined as Cash and cash equivalents are detailed as follows at December 31, 2010, December 31, 2009 and January 1, 2009:

Placement	Entity	Currency	Principal ThCh\$	Annual Rate %	Balance at 12/31/2010 ThCh\$
17-Dec-2010	Banco Santander	Chilean peso	7,000,000	3.720%	7,004,005
13-Jan-2010	Banco de Chile	Unidad de Fomento	4,410,633	1.70%	4,602,188
13-Jan-2010	Banco Estado	Unidad de Fomento	4,410,633	1.65%	4,599,975
23-Apr-2010	Banco BBVA	Unidad de Fomento	12,114,877	0.00%	12,362,024
03-May-2010	Banco BCI	Unidad de Fomento	11,914,000	0.00%	12,153,007
14-Jun-2010	Banco Itaú	Unidad de Fomento	4,770,768	0.40%	4,848,825
01-Jul-2010	Banco Itaú	Unidad de Fomento	2,713,000	0.70%	2,754,825
03-Aug-2010	Banco Itaú	Unidad de Fomento	1,000,000	0.52%	1,012,928
28-Oct-2010	Banco Itaú	Unidad de Fomento	4,000,000	2.86%	4,033,440
28-Oct-2010	Banco de Chile	Unidad de Fomento	4,000,000	2.45%	4,030,516
12-Apr-2010	Banco BBVA	Chilean peso	6,644,069	2.40%	6,760,563
02-Dec-2010	Banco BBVA	Euros	354,271	0.21%	345,623
13-Dec-2010	Banco BBVA	Argentine peso	14,392	10.00%	14,192
29-Mar-2010	Banco Votorantim	Real	31,383	8.82%	33,230
30-Sep-2010	Banco Itaú	Real	2,846,938	8.83%	2,859,355
23-Nov-2010	Banco Itaú	Real	2,814,206	8.83%	2,828,751
14-Apr-2010	Banco Itaú	Real	397,500	8.83%	398,609
27-Jul-2010	Banco Itaú	Real	2,891,489	8.83%	2,900,221
30-Dec-2010	Banco Itaú	Real	2,808,846	8.83%	2,808,846
<b>Total</b>					<b>76,351,123</b>



Placement	Entity	Currency	Principal ThCh\$	Annual Rate %	Balance at 12/31/2009 ThCh\$
17-Dec-09	Banco Santander	Chilean peso	11,010,500	2.50%	10,996,285
06-Oct-09	Banco Itaú	Real	11,649,437	8.45%	8,895,193
14-Dec-09	Banco Deutsche Bank	Chilean peso	8,817,738	0.48%	8,819,737
29-Sep-09	Banco Itaú	Chilean peso	7,741,171	1.20%	7,804,537
13-Oct-09	Banco Estado	Chilean peso	5,783,449	0.23%	5,816,009
24-Jun-09	Banco Santander	Chilean peso	453,900	2.40%	4,600,859
19-Oct-09	Banco Estado	Chilean peso	4,364,533	0.42%	4,382,178
09-Nov-09	Banco Itaú	Chilean peso	4,200,000	2.00%	4,197,177
15-Jun-09	Banco Chile	Chilean peso	3,322,621	2.70%	3,368,735
24-Jun-09	Banco Chile	Chilean peso	3,000,000	3.20%	3,050,270
27-Oct-09	Banco Itaú	Chilean peso	2,670,000	1.40%	2,678,396
14-Jul-09	Banco BBVA	Chilean peso	2,737,500	1.50%	2,759,342
13-Nov-09	Banco Santander	Chilean peso	1,876,098	3.30%	1,877,662
16-Oct-09	Banco Bradesco	Real	145,618	8.43%	1,410,005
24-Nov-09	Banco BCI	Chilean peso	1,248,101	4.50%	1,249,422
18-Nov-09	Banco Estado	Chilean peso	1,003,066	3.30%	1,003,445
24-Nov-09	Banco Santander	Chilean peso	728,386	4.70%	729,305
02-Apr-09	Banco Votorantim	Real	30,295	8.63%	31,955
23-Nov-09	Banco BBVA Francés	Argentine peso	15,906	10.00%	16,158
<b>Total</b>					<b>73,686,670</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Placement	Entity	Currency	Principal ThCh\$	Annual Rate %	Balance at 01/01/2009 ThCh\$
11-Sep-08	Banco Santander	Chilean peso	14,478,105	2.42%	14,993,596
02-Dec-08	Banco BCI	Chilean peso	8,727,900	8.88%	8,790,334
02-Dec-08	Banco BCI	Chilean peso	8,727,900	8.88%	8,790,334
11-Sep-08	Banco BBVA	Chilean peso	7,961,385	2.90%	8,256,963
26-Dec-08	Banco BBVA	Chilean peso	7,529,640	9.50%	7,538,359
16-Dec-08	Royal Bank of Canada	Dollar	7,575,731	2.73%	7,320,120
29-Sep-08	Banco Chile	Dollar	6,645,700	3.78%	6,426,649
19-Nov-08	Banco Itaú	Chilean peso	6,156,000	6.50%	6,235,415
30-Mar-08	Banco Chile	Chilean peso	5,200,000	2.00%	5,627,843
16-Dec-08	Banco Itaú	Chilean peso	3,300,000	9.50%	3,311,459
23-Sep-08	Banco Chile	Chilean peso	2,238,600	3.40%	2,314,341
29-Jul-08	Banco Chile	Chilean peso	1,984,000	1.20%	2,084,732
02-Apr-08	Banco Votorantim	Reales	28,329	13.61%	31,335
<b>Total</b>					<b>81,721,480</b>

### 5.2 Mutual and investment funds

Mutual and investment fund shares are valued at the share value at the close of each fiscal year. Variations in the value of shares during the respective fiscal years are accounted for as a debit or credit to income. Below is a description for the end of each year:

Institution	12/31/2010 ThCh\$	12/31/2009 ThCh\$	01/01/2009 ThCh\$
BBVA mutual fund	-	2,844,000	-
Scotiabank mutual fund	-	3,641,000	-
BCI mutual fund	163,000	2,348,000	-
Santander mutual fund	-	1,896,000	-
Itaú Corporate mutual fund	37,384	1,574,370	36,153
Banchile mutual fund	3,943,475	3,758,347	10,512,365
Royal Bank of Canada mutual fund	-	-	189,977
Banco Estado mutual fund	-	-	5,209,999
Citi Institutional Liquid Reserves Limited	1,417,175	2,478,907	10,332,249
Dreyfus Global Fund Universal Liquidity Plus	-	467	362
<b>Total investment and mutual funds</b>	<b>5,561,034</b>	<b>18,541,091</b>	<b>26,281,105</b>





## Note 6 Other current financial assets

Below are the financial instruments held by the Company at December 31, 2010, December 31, 2009, and January 1, 2009, other than Cash and cash equivalents. They correspond to time deposits for longer than 90 days along with bonds received as payments at our subsidiary in Argentina:

### Time Deposits

Placement	Entity	Currency	Principal ThCh\$	Annual Rate %	12/31/2010 ThCh\$	12/31/2009 ThCh\$
02-Nov-09	Banco HSBC	Unidad de Fomento	-	0,49	-	11,336,036
12-May-10	Banco BBVA	Unidad de Fomento	456,766	0,57	467,322	-
12-May-10	Banco BBVA	Unidad de Fomento	228,383	1,37	234,861	6,619,385
12-May-10	Banco BBVA	Unidad de Fomento	228,383	1,37	256,423	4,735,902
<b>Total</b>			<b>Subtotal</b>		<b>958,606</b>	<b>22,691,323</b>

## Note 7 Other current and non-current non financial assets

### 7.1 Other current non-financial assets

Description	12/31/2010 ThCh\$	12/31/2009 ThCh\$	01/01/2009 ThCh\$
Prepaid Insurance	288,588	16,879	15,815
Prepaid Expenses	1,897,584	3,060,440	2,629,151
Forward contract rights	-	13,083	1,213,052
Wachovia investment fund (restricted)	-	3,180,618	-
Fiscal credit remaining	4,257,271	-	191,192
Materials and supplies	3,776,315	3,620,404	2,872,966
Other current assets	492,374	195,117	348,379
<b>Total</b>	<b>10,712,132</b>	<b>10,086,541</b>	<b>7,270,555</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 7.2 Other non-current, non-financial assets

Description	12/31/2010 ThCh\$	12/31/2009 ThCh\$	01/01/2009 ThCh\$
Prepaid expenses	2,180,033	2,597,060	3,238,086
Fiscal credits	5,681,851	7,254,343	5,545,259
Judicial deposits	12,720,300	10,254,716	8,053,225
Non-operating assets	-	115,963	493,769
Others	925,570	232,853	298,165
<b>Total</b>	<b>21,507,754</b>	<b>20,454,935</b>	<b>17,628,504</b>



### Note 8 Trade and other accounts receivable

The composition of trade and other accounts receivable is detailed as follows:

Description	12/31/2010		12/31/2009		01/01/2009	
	Current ThCh\$	Non-current ThCh\$	Current ThCh\$	Non-current ThCh\$	Current ThCh\$	Non-current ThCh\$
Trade accounts receivable	64,317,502	-	54,674,968	-	47,567,131	-
Sales accounts receivable	16,325,466	7,585,983	14,494,834	5,625,155	14,591,709	-
Other accounts receivable	17,837,185	218,498	11,077,776	192,022	13,430,678	8,542
Allowance for doubtful accounts	(1,225,556)	-	(1,688,988)	-	(1,559,981)	-
<b>Total</b>	<b>97,254,597</b>	<b>7,804,481</b>	<b>78,558,590</b>	<b>5,817,177</b>	<b>74,029,537</b>	<b>8,542</b>

The change in the allowance for doubtful accounts between January 1 and December 31, 2010 and at January 1 and December 31, 2009 is presented below:

Item	12/31/2010 ThCh\$	12/31/2009 ThCh\$
<b>Initial balance</b>	<b>1,688,988</b>	<b>1,559,981</b>
Increase	629,409	367,460
Use of allowance	(970,352)	(197,559)
Increase (decrease) because of foreign exchange	(122,489)	(40,894)
<b>Movement</b>	<b>(463,432)</b>	<b>129,007</b>
<b>Final balance</b>	<b>1,225,556</b>	<b>1,688,988</b>



## Note 9 Inventory

The composition of inventory balances is detailed as follows:

Description	12/31/2010 ThCh\$	12/31/2009 ThCh\$	01/01/2009 ThCh\$
Raw materials	22,928,547	21,322,014	17,302,074
Merchandise	7,001,697	3,456,085	2,021,982
Production inputs	817,426	814,666	1,111,665
Products in progress	97,467	87,302	81,381
Finished goods	13,819,373	11,216,694	11,175,785
Spare parts	4,704,894	3,652,479	3,713,205
Other inventory	569,790	359,697	37,811
<b>Balance</b>	<b>49,939,194</b>	<b>40,908,937</b>	<b>35,443,903</b>

The cost of inventory recognized as a cost of sale totaled ThCh\$504,515,568 at December 31, 2010 and ThCh\$453,035,902 at December 31, 2009.

The obsolescence allowance for inventory at December 31, 2010 and 2009 amounted to ThCh\$683,863 and ThCh\$439,493 respectively.

## Note 10 Income tax and deferred taxes

At the end of the year 2010, the company had a taxable profits fund of ThCh\$90,190,512 comprised of profits for which there was a first-category income tax credit totaling ThCh\$55,790,966 and profits without any tax credit totaling ThCh\$34,399,546.

### 10.1 Current taxes receivable

The current taxes receivable consisted of the following items:

Description	12/31/2010 ThCh\$	12/31/2009 ThCh\$	01/01/2009 ThCh\$
Provisional monthly payments	1,091,997	3,459,004	6,475,810
Tax credits	1,196,728	1,104,054	613,371
<b>Balance</b>	<b>2,288,725</b>	<b>4,563,058</b>	<b>7,089,181</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 10.2 Current taxes payable

Current taxes payable are detailed as follows:

Description	12/31/2010 ThCh\$	12/31/2009 ThCh\$	01/01/2009 ThCh\$
Income tax	3,877,563	5,490,308	2,700,061
Other	131,826	186,605	227,373
<b>Balance</b>	<b>4,009,389</b>	<b>5,676,913</b>	<b>2,927,434</b>

### 10.3 Tax expense

The income tax and deferred tax expenses for the years ended December 31, 2010 and December 31, 2009 are detailed as follows:

Description	12/31/2010 ThCh\$	12/31/2009 ThCh\$
Current tax expense	31,847,824	26,558,767
Adjustment to current tax from previous year	114,521	733,312
Other current tax expenses	10,276	111,287
<b>Total net current tax expense</b>	<b>31,972,621</b>	<b>27,403,366</b>
Deferred tax income (expense) because of the creation and reversal of temporary differences in current tax	4,367,619	1,763,059
<b>Total net deferred tax expenses</b>	<b>4,367,619</b>	<b>1,763,059</b>
<b>Total income tax expense</b>	<b>36,340,240</b>	<b>29,166,425</b>



#### 10.4 Deferred taxes

The net cumulative balances of temporary differences originating in deferred tax assets and liabilities are detailed below:

	At December 31, 2010		At December 31, 2009		At January 1, 2009	
Temporary differences	Assets ThCh\$	Liabilities ThCh\$	Assets ThCh\$	Liabilities ThCh\$	Assets ThCh\$	Liabilities ThCh\$
Property, plant and equipment	-	22,702,343	-	23,219,596	-	24,599,440
Impairment accrual	1,542,470	-	967,157	-	1,222,261	84,074
Employee benefits	2,386,307	-	1,760,300	-	834,793	-
Post-employment benefits	9,550	82,143	71,685	199,226	78,374	348,379
Tax losses	-	-	-	-	1,640,854	-
Contingency provision	1,638,483	-	1,640,625	-	1,817,509	-
Foreign exchange rate difference (debt Brazil)	-	13,506,899	-	13,309,062	-	8,307,797
Allowance for doubtful accounts	189,265	-	202,314	-	390,018	-
Inventory	663,663	-	233,132	-	-	-
Derivatives	183,444	-	353,517	-	-	-
Tax incentives	-	5,335,199	-	2,683,002	-	944,971
Other	278,427	865,764	1,023,793	24,281	398,320	293,522
<b>Total</b>	<b>6,891,609</b>	<b>42,492,348</b>	<b>6,252,523</b>	<b>39,435,167</b>	<b>6,382,129</b>	<b>34,578,183</b>

#### 10.5 Deferred tax liability movement

Movement in deferred liability accounts is detailed as follows:

Item	12/31/2010 ThCh\$	12/31/2009 ThCh\$
<b>Initial Balance</b>	<b>39,435,167</b>	<b>34,578,183</b>
Increase (decrease) in deferred tax liabilities	4,657,692	6,242,266
Increase (decrease) due to foreign currency translation	(1,600,511)	(1,385,282)
<b>Movements</b>	<b>3,057,181</b>	<b>4,856,984</b>
<b>Final balance</b>	<b>42,492,348</b>	<b>39,435,167</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 10.6 Distribution of domestic and foreign tax expenses

As of December 31, 2010 and 2009, domestic and foreign tax expenses are detailed as follows:

	12/31/2010 ThCh\$	12/31/2009 ThCh\$
<b>Income tax</b>		
<b>Current taxes</b>		
Foreign	(26,000,138)	(20,758,996)
Domestic	(5,972,483)	(6,644,370)
<b>Current tax expense</b>	<b>(31,972,621)</b>	<b>(27,403,366)</b>
<b>Deferred taxes</b>		
Foreign	(3,293,124)	(2,437,295)
Domestic	(1,074,495)	674,236
<b>Deferred tax expense</b>	<b>(4,367,619)</b>	<b>(1,763,059)</b>
<b>Income tax expense</b>	<b>(36,340,240)</b>	<b>(29,166,425)</b>

### 10.7 Reconciliation of effective rate

Below is the reconciliation of tax expenses at the legal rate and tax expenses at the effective rate:

	12/31/2010 ThCh\$	12/31/2009 ThCh\$
<b>Reconciliation of effective rate</b>		
<b>Income before taxes</b>	<b>139,940,304</b>	<b>127,151,903</b>
<b>Tax expense at legal rate (17%)</b>	<b>(23,789,852)</b>	<b>(21,615,823)</b>
<b>Effect of tax rate in other jurisdictions</b>	<b>(15,161,635)</b>	<b>(13,421,632)</b>
<b>Permanent differences:</b>		
Non-taxable operating income	7,237,784	5,993,880
Non-tax-deductible expenses	(3,788,700)	(591,384)
Other	(837,837)	468,534
<b>Tax expense adjustment</b>	<b>2,611,247</b>	<b>5,871,030</b>
<b>Tax expense at effective rate</b>	<b>(36,340,240)</b>	<b>(29,166,425)</b>
<b>Effective rate</b>	<b>26.0%</b>	<b>22.9%</b>



The income tax rates applicable in each of the jurisdictions where the company does business are:

Country	Rate
Chile	17%
Brazil	34%
Argentina	35%



## Note 11 Property, plant, and equipment

### 11.1 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		
	12/31/2010 ThCh\$	12/31/2009 ThCh\$	01/01/2009 ThCh\$	12/31/2010 ThCh\$	12/31/2009 ThCh\$	01/01/2009 ThCh\$	12/31/2010 ThCh\$	12/31/2009 ThCh\$	01/01/2009 ThCh\$
Construction in progress	23,506,510	5,487,011	4,942,367	-	-	-	23,506,510	5,487,011	4,942,367
Land	38,247,941	38,770,284	39,845,679	-	-	-	38,247,941	38,770,284	39,845,679
Buildings	92,227,198	89,344,255	86,217,443	(29,245,272)	(27,773,723)	(26,761,417)	62,981,926	61,570,532	59,456,026
Plant and equipment	232,604,986	222,211,690	224,341,427	(154,729,140)	(149,563,233)	(150,196,493)	77,875,846	72,648,457	74,144,934
Information technology equipment	10,825,556	11,852,220	11,957,812	(8,756,221)	(9,712,329)	(9,269,880)	2,069,335	2,139,891	2,687,932
Fixed installations and accessories	28,879,568	28,629,067	28,308,977	(14,319,552)	(13,688,638)	(13,596,631)	14,560,016	14,940,429	14,712,346
Motor vehicles	5,627,463	5,460,712	5,147,810	(3,757,415)	(4,043,972)	(4,317,408)	1,870,048	1,416,740	830,402
Improvements to leased property	155,755	161,494	126,031	(110,832)	(82,158)	(47,231)	44,923	79,336	78,800
Other property, plant and equipment (1)	286,065,161	266,475,164	251,672,596	(215,739,526)	(215,658,753)	(199,623,318)	70,325,635	50,816,411	52,049,278
<b>Total</b>	<b>718,140,138</b>	<b>668,391,897</b>	<b>652,560,142</b>	<b>(426,657,958)</b>	<b>(420,522,806)</b>	<b>(403,812,378)</b>	<b>291,482,180</b>	<b>247,869,091</b>	<b>248,747,764</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(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, 2010 and 2009 is detailed as follows:

Other property, plant and equipment	12/31/2010 ThCh\$	12/31/2009 ThCh\$
Bottles	38,230,257	36,126,057
Market assets	18,153,012	12,320,808
Other property, plant and equipment	13,942,366	2,369,546
<b>Total</b>	<b>70,325,635</b>	<b>50,816,411</b>

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, San Antonio and Rengo

**Argentina:** Buenos Aires, Mendoza, Córdoba and Rosario

**Brazil:** Río de Janeiro, Niteroi, Campos, Cabo Frío, Nova Iguaçu, Espírito Santo and Vitoria.

### 11.2 Movements

Movements in property, plant and equipment are detailed as follows between January 1 and December 31, 2010 and between January 1 and December 31, 2009:

For the year ended 12/31/2010	Construction in progress ThCh\$	Land ThCh\$	Buildings, net ThCh\$	Plant and equipment, net ThCh\$	IT Equipment, net ThCh\$	Fixed installations and accessories, net ThCh\$	Motor vehicles, net ThCh\$	Improvement to leased property, net ThCh\$	Other property, plant and equipment, net ThCh\$	Property, plant and equipment, net ThCh\$
<b>Initial balance</b>	<b>5,487,011</b>	<b>38,770,284</b>	<b>61,570,532</b>	<b>72,648,457</b>	<b>2,139,891</b>	<b>14,940,429</b>	<b>1,416,740</b>	<b>79,336</b>	<b>50,816,411</b>	<b>247,869,091</b>
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)
<b>Total movements</b>	<b>18,019,499</b>	<b>(522,343)</b>	<b>1,411,394</b>	<b>5,227,389</b>	<b>(70,556)</b>	<b>(380,413)</b>	<b>453,308</b>	<b>(34,413)</b>	<b>19,509,224</b>	<b>43,613,089</b>
<b>Final balance</b>	<b>23,506,510</b>	<b>38,247,941</b>	<b>62,981,926</b>	<b>77,875,846</b>	<b>2,069,335</b>	<b>14,560,016</b>	<b>1,870,048</b>	<b>44,923</b>	<b>70,325,635</b>	<b>291,482,180</b>





For the year ended 12/31/2009	Construction in progress ThCh\$	Land ThCh\$	Buildings, net ThCh\$	Plant and equipment, net ThCh\$	IT Equipment, net ThCh\$	Fixed installations and accessories, net ThCh\$	Motor vehicles, net ThCh\$	Improvement to leased property, net ThCh\$	Other property, plant and equipment, net ThCh\$	Property, plant and equipment, net ThCh\$
Initial balance	4,942,367	39,845,679	59,456,026	74,144,934	2,687,932	14,712,346	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	38,770,284	61,570,532	72,648,457	2,139,891	14,940,429	1,416,740	79,336	50,816,411	247,869,091



## Note 12 Related party disclosures

Balances and transactions with related parties as of December 31, 2010, December 31, 2009 and January 1, 2009 are detailed as follows:

### 12.1 Accounts receivable:

#### 12.1.1 Current:

Taxpayer ID	Company	Relationship	Country of origin	Currency	12/31/2010 ThCh\$	12/31/2009 ThCh\$	01/01/2009 ThCh\$
96,891,720-k	Embonor S.A.	Related to shareholder	Chile	Chilean pesos	-	606,952	1,726,604
93,473,000-3	Embotelladora Coca-Cola Polar S.A.	Related to shareholder	Chile	Chilean pesos	248,273	444,062	-
Total					248,273	1,051,014	1,726,604

#### 12.1.2 Non-current

Taxpayer ID	Company	Relationship	Country of origin	Currency	12/31/2010 ThCh\$	12/31/2009 ThCh\$	01/01/2009 ThCh\$
96,714,870-9	Coca-Cola de Chile S.A.	Shareholder	Chile	Chilean pesos	8,847	37,869	34,719
Total					8,847	37,869	34,719

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 12.2 Accounts Payable:

#### 12.2.1 Current:

Taxpayer ID	Company	Relationship	Country of origin	Currency	12/31/2010 ThCh\$	12/31/2009 ThCh\$	01/01/2009 ThCh\$
96,714,870-9	Coca-Cola de Chile S.A.	Shareholder	Chile	Chilean pesos	3,959,060	5,367,733	5,582,317
Foreign	Servicio y Productos para Bebidas Refrescantes S.R.L.	Related to shareholders	Argentina	Argentine pesos	2,725,508	1,706,392	1,966,203
Foreign	Recofarma do Indústrias Amazonas Ltda.	Related to shareholders	Brazil	Real	3,834,762	3,914,755	4,171,316
96,705,990-0	Envases Central S.A.	Associate	Chile	Chilean pesos	1,005,828	632,281	1,085,375
86,881,400-4	Envases CMF S.A.	Associate	Chile	Chilean pesos	1,216,955	1,163,054	2,488,399
76,389,720-6	Vital Aguas S.A.	Associate	Chile	Chilean pesos	630,927	913,801	1,058,204
89,996,200-1	Envases del Pacífico S.A.	Common director	Chile	Chilean pesos	173,850	59,831	176,821
96,891,720-k	Embonor S.A.	Related to shareholders	Chile	Chilean pesos	776,583	-	-
<b>Total</b>					<b>14,323,473</b>	<b>13,757,847</b>	<b>16,528,635</b>

#### 12.2.2 Non-current:

Taxpayer ID	Company	Relationship	Country of origin	Currency	12/31/2010 ThCh\$	12/31/2009 ThCh\$	01/01/2009 ThCh\$
96,891,720-k	Embonor S.A.	Related to shareholders	Chile	Chilean pesos	-	2,047,047	2,495,910
	Embotelladora Coca-Cola						
93,473,000-3	Polar S.A.	Related to shareholders	Chile	Chilean pesos	-	518,720	641,437
<b>Total</b>					<b>-</b>	<b>2,565,767</b>	<b>3,137,347</b>



### 12.3 Transactions:

Taxpayer ID	Company	Relationship	Country of origin	Description of transaction	Currency	Cumulative 12/31/2010
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.	Shareholder	Chile	Concentrate purchase	Chilean peso	64,448,337
96,714,870-9	Coca-Cola de Chile S.A.	Shareholder	Chile	Services rendered	Chilean peso	3,292,507
96,714,870-9	Coca-Cola de Chile S.A.	Shareholder	Chile	Advertising payment	Chilean peso	1,857,135
96,714,870-9	Coca-Cola de Chile S.A.	Shareholder	Chile	Advertising collection	Chilean peso	989,554
86,881,400-4	Envases CMF S.A.	Subsidiary	Chile	Purchase of bottles	Chilean peso	7,636,480
86,881,400-4	Envases CMF S.A.	Subsidiary	Chile	Purchase of packaging materials	Chilean peso	409,929
86,881,400-4	Envases CMF S.A.	Subsidiary	Chile	Dividend payment	Chilean peso	1,379,837
76,389,720-6	Vital Aguas S.A.	Subsidiary	Chile	Purchase of finished products	Chilean peso	5,676,978
76,389,720-6	Vital Aguas S.A.	Subsidiary	Chile	Services rendered	Chilean peso	254,909
96,891,720-K	Embonor S.A.	Shareholder related	Chile	Sale of finished products	Chilean peso	8,236,127
96,517,310-2	Embotelladora Iquique S.A.	Shareholder related	Chile	Sale of finished products	Chilean peso	689,551
93,473,000-3	Embotelladora Polar S.A.	Shareholder related	Chile	Sale of finished products	Chilean peso	5,243,772
89,996,200-1	Envases del Pacífico S.A.	Shareholder related	Chile	Purchase of raw materials	Chilean peso	481,592
Foreign	Recofarma do Industrias Amazonas Ltda.	Shareholder related	Brazil	Concentrate purchase	Real	61,827,392
Foreign	Recofarma do Industrias Amazonas Ltda.	Shareholder related	Brazil	Reimbursement and other purchases	Real	1,188,468
Foreign	Recofarma do Industrias Amazonas Ltda.	Shareholder related	Brazil	Advertising participation payment	Real	13,851,240
Foreign	Servicio y Productos para Bebidas Refrescantes S.R.L.	Shareholder related	Argentina	Concentrate purchase	Argentine peso	39,404,175
Foreign	Servicio y Productos para Bebidas Refrescantes S.R.L.	Shareholder related	Argentina	Advertising rights, rewards and others	Argentine peso	1,587,201
Foreign	Servicio y Productos para Bebidas Refrescantes S.R.L.	Shareholder related	Argentina	Collection of advertising participation	Argentine peso	6,218,762
97,032,000-8	BBVA Administradora General de Fondos	Director related	Chile	Investment in mutual funds	Chilean peso	34,148,000
97,032,000-8	BBVA Administradora General de Fondos	Director related	Chile	Redemption of mutual funds	Chilean peso	36,992,000
84,505,800-8	Vendomatica S.A.	Director related	Chile	Supply and advertising agreement	Chilean peso	250,000
84,505,800-8	Vendomatica S.A.	Director related	Chile	Sale of finished products	Chilean peso	1,401,691

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Taxpayer ID	Company	Relationship	Country of origin	Description of transaction	Currency	Cumulative as of 12/31/2009
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
86,881,400-4	Envases CMF S.A.	Related to shareholders	Chile	Dividend payment	Chilean peso	2,000,000
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 shareholders	Chile	Sale of finished products	Chilean peso	1,639,692
96,815,680-2	BBVA Administradora General de Fondos	Related to shareholders	Chile	Investment of mutual funds	Chilean peso	43,045,413
96,815,680-2	BBVA Administradora General de Fondos	Related to shareholders	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

### 12.4 Payroll and benefits of the Company's key employees:

At the end of year December 31, 2010 and 2009, respectively, the salary and benefits of the Company's key employees, corresponding to directors and managers, are detailed as follows:

Full description	12/31/2010 ThCh\$	12/31/2009 ThCh\$
Executive wages, salaries and benefits	4,198,104	4,422,304
Director allowances	1,016,194	742,956
Termination benefits	1,643,749	153,924
Accrued benefits in the last five years and paid during the period	981,635	-
<b>Total</b>	<b>7,839,682</b>	<b>5,319,184</b>



## Note 13 Employee benefits

As of December 31, 2010 and 2009, and January 1, 2009, the Company had recorded reserves for profit share and for bonuses totaling ThCh\$6,635,265, ThCh\$6,230,506 and ThCh\$6,582,713 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.

### 13.1 Personnel expenses

At December 31, 2010 and 2009, personnel expenses included in the statement of consolidated comprehensive income were:

Description	12/31/2010 ThCh\$	12/31/2009 ThCh\$
Wages and salaries	78,616,848	61,841,332
Employee benefits	20,084,397	17,806,789
Severance and post-employment benefits	1,580,085	8,479,218
Other personnel expenses	4,549,669	4,159,121
<b>Total</b>	<b>104,830,999</b>	<b>92,286,460</b>

### 13.2 Post-employment benefits

This item presents the employee severance indemnities valued pursuant to Note 2.17. The composition of current and non-current balances at December 31, 2010, December 31, 2009 and January 1, 2009 is detailed as follows:

Post-employment benefits	12/31/2010 ThCh\$	12/31/2009 ThCh\$	01/01/2009 ThCh\$
Non-current provision	7,256,590	8,401,791	8,034,813
<b>Total</b>	<b>7,256,590</b>	<b>8,401,791</b>	<b>8,034,813</b>

### 13.3 Post-employment benefit movement

The movements of post-employment benefits are detailed as follows during 2010 and 2009:

Movements	12/31/2010 ThCh\$	12/31/2009 ThCh\$
<b>Initial balance</b>	<b>8,401,791</b>	<b>8,034,813</b>
Service costs	359,798	114,293
Interest costs	213,927	325,872
Net actuarial losses	569,707	540,943
Benefits paid	(2,288,633)	(614,130)
<b>Total</b>	<b>7.256.590</b>	<b>8.401.791</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 13.4 Assumptions

The actuarial assumptions used in the years ended December 31, 2010 and 2009 were:

#### Assumption

Discount rate	4,0%
Expected salary increase rate	2,0%
Turnover rate	6,6%
Mortality rate	RV-2004
Retirement age of women	60 years
Retirement age of men	65 years

### Note 14 Investments in associates accounted for using the equity method

#### 14.1 Balances

Investments in associates recorded using the equity method are detailed as follows:

R.U.T.	Name	Country of Incorporation	Functional Currency	Investment Cost			Percentage interest		
				12/31/2010 ThCh\$	12/31/2009 ThCh\$	01/01/2009 ThCh\$	12/31/2010 ThCh\$	12/31/2009 ThCh\$	01/01/2009 ThCh\$
86,881,400-4	Envases CMF S.A.	Chile	Chilean Pesos	19,070,517	18,910,774	19,833,478	50.00%	50.00%	50.00%
76,389,720-6	Vital Aguas S.A.	Chile	Chilean Pesos	2,718,443	2,805,995	1,932,723	56.50%	56.50%	56.50%
96,705,990-0	Envases Central S.A.	Chile	Chilean Pesos	3,983,711	4,433,731	4,468,821	49.91%	49.91%	49.91%
Foreign	Mais Industria 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	Holdfab Participações Ltda.,	Brazil	Real	-	7,390,522	5,595,346	-	14.73%	14.73%
Foreign	Kaik Participações Ltda.,	Brazil	Real	1,223,538	1,190,196	992,173	11.31%	11.31%	11.31%
Foreign	Holdfab2 Participações Societarias Ltda.	Brazil	Real	14,358,820	-	-	36.40%	-	-
<b>Total</b>				<b>50,754,168</b>	<b>34,731,218</b>	<b>32,822,541</b>			



#### 14.2 Movement

The movement of investments in associates recorded using the equity method is shown below, for the year from January 1 to December 31, 2010 and January 1 to December 31, 2009:

Details	12/31/2010 ThCh\$	12/31/2009 ThCh\$
<b>Initial Balance</b>	<b>34,731,218</b>	<b>32,822,541</b>
Increase (decrease) in foreign currency translation, investments in Equity Investees	(624,004)	527,922
Capital increases in Equity Investees	15,229,291	937,607
Dividends received	(1,379,837)	(2,000,000)
Share in operating income	2,986,764	1,708,471
Unrealized profit	(671,829)	(104,573)
Others	482,565	839,250
<b>Final balance</b>	<b>50,754,168</b>	<b>34,731,218</b>

The main movements for the year are detailed as follows:

Holdfab2 Participações Societárias 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.

Through a shareholders agreement involving the Brazilian company Holdfab Participações Ltda., in which our subsidiary Rio de Janeiro Refrescos held a 14.73% ownership interest, this company was divided into two companies: "Mais Industria de Alimentos Ltda" and "Sucos del Valle do Brasil Ltda." The company holds a 6.16% ownership interest in each of them. The effects of this division began on January 1, 2010.

Vital Aguas S.A., an associate, decided to increase capital by ThCh\$1,274,284 at a Special General Shareholders Meeting held in April 2009. The increase was to be made by issuing 5,000 shares. Embotelladora Andina S.A, subscribed and paid for 2,825 shares, for a price of ThCh\$719,970.

On February 12, 2009, our Brazilian subsidiary Rio de Janeiro Refrescos Ltda, contributed to a capital increase approved by Holdfab Participações Ltda, in which it holds an interest of 14.732%. This entailed a payment of ThCh\$217,637.

During 2010 and 2009, the Company received dividends from its associate Envases CMF S.A. which amounted to ThCh\$1,379,837 and ThCh\$2,000,000 respectively.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS



### Note 15 Intangible assets and goodwill

#### 15.1 Intangible assets not considered as goodwill

Intangible assets not considered as goodwill as of the end of each year are detailed as follows:

Description	12/31/2010			12/31/2009			01/01/2009		
	Gross Amount ThCh\$	Cumulative Amortization ThCh\$	Net Amount ThCh\$	Gross Amount ThCh\$	Cumulative Amortization ThCh\$	Net Amount ThCh\$	Gross Amount ThCh\$	Cumulative Amortization ThCh\$	Net Amount ThCh\$
Rights	522,750	(94,124)	428,626	525,403	(98,501)	426,902	244,317	(124,712)	119,605
Software	8,718,483	(7,781,514)	936,969	8,807,761	(7,117,330)	1,690,431	8,738,874	(6,402,717)	2,336,157
<b>Total</b>	<b>9,241,233</b>	<b>(7,875,638)</b>	<b>1,365,595</b>	<b>9,333,164</b>	<b>(7,215,831)</b>	<b>2,117,333</b>	<b>8,983,191</b>	<b>(6,527,429)</b>	<b>2,455,762</b>

The movement and balances of identifiable intangible assets are detailed as follows for the year January 1 to December 31, 2010 and January 1 to December 31, 2009:

Item	December 31, 2010			December 31, 2009		
	Rights ThCh\$	Software ThCh\$	Total ThCh\$	Rights ThCh\$	Software ThCh\$	Total ThCh\$
<b>Initial balance</b>	<b>426,902</b>	<b>1,690,431</b>	<b>2,117,333</b>	<b>119,605</b>	<b>2,336,157</b>	<b>2,455,762</b>
Additions	16,710	181,123	197,833	405,798	66,746	472,544
Amortization	(8,024)	(907,477)	(915,501)	(98,501)	(744,284)	(842,785)
Other increases (decreases)	(6,962)	(27,108)	(34,070)	-	31,812	31,812
<b>Final balance</b>	<b>428,626</b>	<b>936,969</b>	<b>1,365,595</b>	<b>426,902</b>	<b>1,690,431</b>	<b>2,117,333</b>





## 15.2 Goodwill

Movement in goodwill during the years 2010 and 2009 is detailed as follows:

### Year January – December 2010

Cash generating unit	01/01/2010 ThCh\$	Additions ThCh\$	Disposals or impairments ThCh\$	Translation difference – functional currency different from currency of presentation ThCh\$	12/31/2010 ThCh\$
Brazilian operation	43,820,310	-	-	(1,521,355)	42,298,955
Argentine operation	17,540,035	-	-	(2,068,655)	15,471,380
<b>Total</b>	<b>61,360,345</b>	<b>-</b>	<b>-</b>	<b>(3,590,010)</b>	<b>57,770,335</b>

### Year January – December 2009

Cash generating unit	01/01/2009 ThCh\$	Additions ThCh\$	Disposals or impairments ThCh\$	Translation difference – functional currency different from currency of presentation ThCh\$	12/31/2009 ThCh\$
Brazilian operation	41,042,712	-	-	2,777,598	43,820,310
Argentine operation	24,226,359	-	-	(6,686,324)	17,540,035
<b>Total</b>	<b>65,269,071</b>	<b>-</b>	<b>-</b>	<b>(3,908,726)</b>	<b>61,360,345</b>



### Note 16 Other current and non-current financial liabilities

Current	12/31/2010 ThCh\$	12/31/2009 ThCh\$	01/01/2009 ThCh\$
Bank loans	6,941,133	615,441	6,046,170
Bonds payable	3,120,737	2,884,651	1,496,055
CPMF	1,934,529	2,299,789	3,962,017
<b>Total</b>	<b>11,996,399</b>	<b>5,799,881</b>	<b>11,504,242</b>

Non-current	12/31/2010 ThCh\$	12/31/2009 ThCh\$	01/01/2009 ThCh\$
Bank loans	593,726	200,572	413,452
Bonds payable	69,855,733	70,840,962	75,186,299
CPMF	-	2,108,140	4,647,779
<b>Total</b>	<b>70,449,459</b>	<b>73,149,674</b>	<b>80,247,530</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

16.1.1 Current 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 12/31/2010 ThCh\$	at 12/31/2009 ThCh\$	at 01/01/2009 ThCh\$
Foreign	Embotelladora del Atlántico S.A.	Argentina	Foreign	Banco BBVA Francés	Argentina	AR\$	At maturity	13,22%	13,22%	-	6,545,691	6,545,691	-	2,076,268
Foreign	Embotelladora del Atlántico S.A.	Argentina	Foreign	Banco Nuevo Santa Fe	Argentina	AR\$	At maturity	10,25%	10,25%	5,032	-	5,032	243,723	-
Foreign	Embotelladora del Atlántico S.A.	Argentina	Foreign	Banco de Galicia	Argentina	AR\$	At maturity	12,50%	12,50%	9,220	-	9,220	129,455	3,742,490
Foreign	Rio de Janeiro Refrescos Ltda.	Brazil	Foreign	Banco Votorantim	Brazil	BR\$	Monthly	9,40%	9,40%	115,305	82,575	197,880	119,559	111,755
Foreign	Rio de Janeiro Refrescos Ltda.	Brazil	Foreign	Banco Alfa	Brazil	BR\$	Monthly	11,07%	11,07%	-	49,310	49,310	122,704	114,657
91,144,000-8	Embotelladora Andina S.A.	Chile	97,004,000-8	Banco de Chile	Chile	Ch\$	At maturity	4,50%	4,50%	134,000	-	134,000	-	1,000
Total												6,941,133	615,441	6,046,170

16.1.2 Current 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 12/31/2010 ThCh\$	at 12/31/2009 ThCh\$	at 01/01/2009 ThCh\$
Foreign	Rio de Janeiro Refrescos Ltda.	Brazil	Foreign	Banco Votorantim	Brazil	BR\$	Monthly	9,40%	9,40%	593,726	-	-	593,726	149,446	250,706
Foreign	Rio de Janeiro Refrescos Ltda.	Brazil	Foreign	Banco Alfa	Brazil	BR\$	Monthly	11,07%	11,07%	-	-	-	-	51,126	162,746
Total													593,726	200,572	413,452

16.2.1 Bonds payable

Composition of bonds payable	Current			Non-Current			Total		
	12/31/2010 ThCh\$	12/31/2009 ThCh\$	01/01/2009 ThCh\$	12/31/2010 ThCh\$	12/31/2009 ThCh\$	01/01/2009 ThCh\$	12/31/2010 ThCh\$	12/31/2009 ThCh\$	01/01/2009 ThCh\$
Bonds (face rate)	3,359,692	3,117,629	1,747,656	72,324,782	73,484,258	78,050,043	75,684,474	76,601,887	79,797,699
Expenses of bond issuance and discounts on placement	(238,955)	(232,978)	(251,601)	(2,469,049)	(2,643,296)	(2,863,744)	(2,708,004)	(2,876,274)	(3,115,345)
Net balance	3,120,737	2,884,651	1,496,055	69,855,733	70,840,962	75,186,299	72,976,470	73,725,613	76,682,354



### 16.2.2 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	Series	Face amount	Unit of adjustment	Interest rate	Final maturity	Interest payment	Next amortization Of capital	Par value		
								12/31/2010 ThCh\$	12/31/2009 ThCh\$	01/01/2009 ThCh\$
Bonds, current portion										
SVS Registration No, 254, 6/13/2001	B	3,508,794	UF	6.50%	June 01, 2026	Semi-annual	Dec-10	3,359,692	3,117,629	1,747,656
Total current portion								3,359,692	3,117,629	1,747,656
Bonds, non-current portion										
SVS Registration No, 254, 6/13/2001	B	3,508,794	UF	6.50%	June 01, 2026	Semi-annual	Dec-11	72,324,782	73,484,258	78,050,043
Total, non-current portion								72,324,782	73,484,258	78,050,043

Accrued interest included in the current portion of bonds totaled ThCh\$ 421,282 at December 31, 2010, ThCh\$406,229 at December 31 and ThCh\$423,190 at January 1, 2009, respectively.

### 16.2.3 Non-current maturities

	Serie	Year of maturity					Total non-current 12/31/2010 ThCh\$
		2012 ThCh\$	2013 ThCh\$	2014 ThCh\$	2015 ThCh\$	Beyond ThCh\$	
SVS Registration 254, 6/13/2001	B	3,150,621	3,355,410	3,573,512	3,805,793	58,439,446	72,324,782

### 16.2.4 Market rating

The bonds issued on the Chilean market had the following rating at December 31, 2010:

**AA +:** By Fitch Chile

**AA +:** By Feller & Rate

### 16.2.5 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, UF 3,508,794.30 is outstanding:

- Embotelladora Andina S.A. must maintain a debt level in which consolidated financial liabilities do not exceed 1.20 times the consolidated Shareholders' Equity. For these purposes, 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 Shareholders' Equity plus non-controlling interests will be considered consolidated Shareholders' 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

- 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, 2010; at December 31 and January 1, 2009.

### 16.2.6 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, 2010 and 2009 and January 1, 2009, 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.

### 16.2.7 Bank taxes

These amounts are bank taxes and bonds owed by our subsidiary, Rio de Janeiro Refrescos Ltda. :

	12/31/2010 M\$	12/31/2009 M\$	01/01/2009 M\$
Current	1,934,529	2,299,789	3,962,017
Non-current	-	2,108,140	4,647,779
<b>Total</b>	<b>1,934,529</b>	<b>4,407,929</b>	<b>8,609,796</b>



## Note 17 Trade and other current accounts payable

Trade and other current account payable are detailed as follows:

Item	12/31/2010 ThCh\$	12/31/2009 ThCh\$	01/01/2009 ThCh\$
Trade accounts payable	87,580,971	49,701,196	49,313,014
Withholdings	8,265,314	13,649,090	10,679,276
Others	9,436,050	18,951,838	19,557,391
<b>Total</b>	<b>105,282,335</b>	<b>82,302,124</b>	<b>79,549,681</b>

## Note 18 Provisions

### 18.1 Balances

The balances of provisions recorded by the company are shown below, as of December 31, 2010; December 31 and January 1, 2009:

Description	12/31/2010 ThCh\$	12/31/2009 ThCh\$	01/01/2009 ThCh\$
Litigation	4,328,367	4,461,153	2,901,205
Other	-	34,833	30,012
<b>Total</b>	<b>4,328,367</b>	<b>4,495,986</b>	<b>2,931,217</b>
Current	60,748	38,879	43,440
Non-current	4,267,619	4,457,107	2,887,777
<b>Total</b>	<b>4,328,367</b>	<b>4,495,986</b>	<b>2,931,217</b>

These provisions correspond mainly to provisions for probable losses due to fiscal, labor and trade contingencies based on the opinion of our legal counsel.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 18.2 Movements

Movement in the main items included under provisions is detailed as follows:

Description	At 12/31/2010			At 12/31/2009		
	Litigation ThCh\$	Others ThCh\$	Total ThCh\$	Litigation ThCh\$	Others ThCh\$	Total ThCh\$
<b>Initial Balance at January 1</b>	<b>4,461,153</b>	<b>34,833</b>	<b>4,495,986</b>	<b>2,901,205</b>	<b>30,012</b>	<b>2,931,217</b>
Additional provisions	875,703	-	875,803	2,752,562	9,821	2,762,383
Increase (decrease) in existing provisions	381,875	-	381,875	29,318	-	29,318
Provision used (payment made on account of the provision)	(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	(243,790)	-	(243,790)	(349,132)	-	(349,132)
Other increases (decreases)						
<b>Final Balance</b>	<b>4,328,367</b>	<b>-</b>	<b>4,328,367</b>	<b>4,461,153</b>	<b>34,833</b>	<b>4,495,986</b>

### Note 19 Other current and non-current non-financial liabilities

Other current and non-current liabilities at the end of each year are detailed as follows:

Description	12/31/2010 ThCh\$	12/31/2009 ThCh\$	01/01/2009 ThCh\$
Minimum dividend (30%)	10,723,669	9,339,973	11,279,813
Supplemental dividend payable	6,925,621	5,796,644	5,751,633
Funds to be disbursed to foreign shareholders	-	-	1,243,745
Deposits in guarantee	8,002,105	8,848,386	6,236,271
Share of earnings and bonds	6,635,679	6,230,506	6,582,713
Accrued vacations	6,635,265	6,154,855	5,839,183
Hedge liabilities	917,219	2,079,511	-
Other	363,190	1,352,203	5,460,961
<b>Total</b>	<b>40,202,748</b>	<b>39,802,078</b>	<b>42,394,319</b>
Current	31,879,967	30,234,814	31,532,517
Non-current	8,322,781	9,567,264	10,861,802
<b>Total</b>	<b>40,202,748</b>	<b>39,802,078</b>	<b>42,394,319</b>



## Note 20 Net shareholders' equity

### 20.1 Paid-in Capital

The paid-in capital of the Company totaled ThCh\$230,892,178 as of December 31, 2010, divided into 760,274,542 Series A and B shares. The distribution and differentiation of these is detailed as follows:

#### 20.1.1 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

#### 20.1.2 Capital:

Series	Subscribed capital ThCh\$	Paid-in Capital ThCh\$
A	115,446,089	115,446,089
B	115,446,089	115,446,089
<b>Total</b>	<b>230,892,178</b>	<b>230,892,178</b>

#### 20.1.3 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.

### 20.2 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 2010 annual shareholders meeting, the shareholders authorized the board to pay interim dividends during July and October 2010 and January 2011, at its discretion.

During 2009 and 2010, the shareholders' meeting approved an extraordinary dividend payment against the retained earnings fund in light of significant cash generation. We cannot guarantee 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, during the session held October 26, 2010, the Company's Board of Directors decided to maintain the initial adjustments of adopting IFRS as retained earnings for future distribution.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Retained earnings at the date of IFRS adoption amounted to ThCh\$19,260,703, of which ThCh\$935,908 have been realized at December 31, 2010 and are available for distribution as dividends in accordance with the following:

Concept	Event realized	Amount of accumulated earnings at 01/01/2009 ThCh\$	Realized at 12/31/2010 ThCh\$	Amount of accumulated earnings at 12/31/2010 ThCh\$
Re-valuation of non-depreciating assets	Sale or deterioration	10,958,958	-	10,958,958
Foreign currency translation differences of investments in related companies	Sale or deterioration	6,393,518	-	6,393,518
Revaluation of depreciating assets	Depreciation	1,579,165	(264,582)	1,314,583
Full absorption cost accounting	Sale of products	813,885	(813,885)	-
Post-employment benefits actuarial calculation	Termination of employees	929,560	(238,543)	691,017
Deferred taxes supplementary accounts	Depreciation	(1,414,383)	381,102	(1,033,281)
<b>Total</b>		<b>19,260,703</b>	<b>(935,908)</b>	<b>18,324,795</b>

The dividends declared and paid during 2010 and 2009 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
2010	January	Interim	2009	7.00	7.70
	April	Final	2009	11.70	12.87
	May	Additional	Retained Earnings	50.00	55.00
	July	Interim	2010	8.50	9.35
	October	Interim	2010	8.50	9.35
2009	January	Interim	2008	7.00	7.70
	April	Final	2008	14.13	15.543
	May	Additional	Retained Earnings	43.00	47.30
	July	Interim	2009	7.00	7.70
	October	Interim	2009	7.00	7.70

### 20.3 Reserves

#### 20.3.1 Legal and statutory reserves

According to Official Circular Letter No. 456 of the Chilean Superintendency of Securities and Insurance, the re-valuation of paid-in capital for 2009 is presented as part of other Shareholders' Equity reserves. This amount totaled ThCh\$5,435,538 at December 31, 2009.





### 20.3.2 Foreign currency translation reserves

This corresponds to the translation 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 below:

Description	12/31/2010 ThCh\$	12/31/2009 ThCh\$
Rio de Janeiro Refrescos Ltda.	1,324,710	6,495,746
Embotelladora del Atlántico S.A.	(19,706,911)	(15,428,107)
Foreign exchange currency translation differences Abisa Corp. Rio de Janeiro Refrescos Ltda.	(3,200,224)	(1,354,797)
<b>Total</b>	<b>(21,582,425)</b>	<b>(10,287,158)</b>

The movement of this reserve for the fiscal years ended December 31, 2010 and December 31, 2009 is detailed as follows:

Description	12/31/2010 ThCh\$	12/31/2009 ThCh\$
Rio de Janeiro Refrescos Ltda.	(5,171,036)	6,495,746
Embotelladora del Atlántico S.A.	(4,278,804)	(15,428,107)
Foreign exchange currency translation differences Abisa Corp. Rio de Janeiro Refrescos Ltda.	(1,845,427)	(1,354,797)
<b>Total</b>	<b>(11,295,267)</b>	<b>(10,287,158)</b>

### 20.4 Non-controlling interests

This is the recognition of the portion of Shareholders' Equity and income from subsidiaries that are owned by third parties. The breakdown is as follows as of December 31, 2010:

Description	Non-controlling Interests		
	Percentage %	Shareholders' Equity ThCh\$	Income ThCh\$
Embotelladora del Atlántico S.A.	0.0209	8,300	2,689
Andina Inversiones Societarias S.A.	0.0001	30	3
<b>Total</b>		<b>8,330</b>	<b>2,692</b>

### 20.5 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 year.

The earnings per share used to calculate basic and diluted earnings per share at December 31, 2010 is detailed as follows:

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
<b>Earnings per basic and diluted share (in pesos)</b>	<b>129.78</b>	<b>142.75</b>	<b>136.26</b>



### Note 21 Hedge assets and liabilities

The company held the following hedge liabilities at December 31, 2010; December 31 and January 1, 2009.

#### 21.1 Currency forwards for highly probable expected transactions:

At December 31, 2010, the Company had contracts to hedge the foreign exchange rate in foreign currency purchases of property, plant and equipment to be made in 2011, for a total of Th€\$ 4,841. They were valued at fair value, resulting in a net loss of ThCh\$913,378. Since the contracts do not meet the documentation requirements to be considered hedges under IFRS, they have been treated as an investment and the effects have been charged directly to income.

At December 31, 2010, the Company had contracts to hedge the foreign exchange rate in foreign currency purchases of property, plant and equipment to be made in 2011, for a total of ThUS\$61,815. These were valued at fair value, resulting in a net loss of ThCh\$485,983. Since the contracts do not meet the documentation requirements of the IFRS to be considered hedges, they have been treated as an investment and the effects have been charged directly to income.

During 2009, the Company had contracts to hedge the foreign exchange rate in foreign currency purchases of property, plant and equipment for a total of ThUS\$10,483, which matured during the same year. They were valued at fair value, resulting in a net loss of ThCh\$342,213. Since the contracts do not meet the IFRS documentation requirements to be considered hedges, they have been treated as an investment and the effects have been charged directly to income.

#### 21.2 Foreign currency forward of items recognized in the accounting:

At January 1, 2009, the Company had contracts to hedge the foreign exchange rate of foreign-currency-denominated assets totaling ThUS\$32,886. Those contracts expire in the first quarter of 2009. They were valued at fair value, which resulted in a net profit of ThCh\$1,039,841. 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 carried directly to income.

#### 21.3 Forward of UF (unidad de fomento) adjustment for items recognized in the accounting:

At December 31, 2009, the Company had contracts to hedge cash flows in Chilean pesos of financial investments denominated in Unidades de Fomento, amounting to UF 143,115. Those contracts expire in the first quarter of 2010. They were valued at fair value, which resulted in a net profit of ThCh\$13,083. 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.

#### 21.4 Raw material price swap:

At December 31, 2010 and at December 31, 2009, 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 said contracts generated net earnings amounting to ThCh\$2,121,469. During the year ended December 31, 2009 these contracts represented a loss amounting to ThCh\$2,079,511. 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.



## Note 22 Commitments and contingencies

### 22.1 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.

Below is a summary of lawsuits and other legal actions:

- 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\$934,956. Management considers it unlikely that non-provisioned contingencies will affect the Company's income and Shareholders' Equity, based on the opinion of its legal counsel.
- 2) Rio de Janeiro Refrescos Ltda. is involved in labor, tax and other lawsuits. The accounting provisions to cover contingencies of a probable loss in these lawsuits total ThCh\$3,363,568. Management considers it unlikely that non-provisioned contingencies will affect income and Shareholders' Equity of the Company, based on the opinion of its legal counsel.
- 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\$29,843. Management considers it unlikely that non-provisioned contingencies will affect income and Shareholders' Equity of the company, in the opinion of its legal advisors.

### 22.2 Direct guarantees and restricted assets:

Guarantees and restricted assets as of December 31, 2010 are detailed as follows:

Provided by		Committed assets			Balance pending payment on the closing date of the financial statements			Date of guarantee release	
Guarantee in favor of	Name	Relationship	Guaranty	Type	Carrying amount ThCh\$	2010 ThCh\$	2009 ThCh\$	2011 ThCh\$	2012 ThCh\$
Aduana de Ezeiza	Embotelladora del Atlántico S.A.	Subsidiary	Guarantee Insurance Policy	Export	16,303	-	-	-	-
Aduana de Ezeiza	Embotelladora del Atlántico S.A.	Subsidiary	Guarantee Insurance Policy	Import	6,967	-	-	-	-
Estado Rio de Janeiro	Rio de Janeiro Refrescos Ltda.	Subsidiary	Judicial pledge	Real estate	10,540,155	11,406,583	11,826,943	-	-
Poder Judicialrio	Rio de Janeiro Refrescos Ltda.	Subsidiary	Judicial deposit	Long term asset	16,385,536	-	-	-	-
Aga	Embotelladora Andina S.A.	Parent Company	Guarantee receipt	Agreement	-	145,569	152,130	145,569	-
Serviu Región Metropolitana	Embotelladora Andina S.A.	Parent Company	Guarantee receipt	Guarantee receipt	-	2,778	2,727	2,778	-

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS



### Note 23 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, 2010, 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 composition for this year is provided below:

Chilean Peso	Brazilian Real	Argentine Peso
33%	46%	21%

Since the Company's income is not tied to the U.S. 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 American 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 in income of ThCh\$5,498,365.

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 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. In terms of income and the current scenario, where the appreciation of the Chilean peso with respect to the U.S. dollar is almost the same as the appreciation of the Brazilian real with respect to the U.S. Dollar, there is currently no significant difference upon translation of these two currencies. On the other hand, the existence of a devaluation process of the Argentine peso with respect to the U.S. dollar and thus to the Chilean peso, which is in the process of appreciation, originates negative effects on income. If the Argentine peso were to devalue 5% more than it did during the year against the U.S. dollar, considering a 5% higher appreciation of the Chilean peso than what occurred during the year, the negative effect on income would have been ThCh\$ 2,229,886. On the other hand, in terms of shareholders' equity, this same scenario would cause the rest of the conversion of asset and liability accounts to result in a shareholders' equity decrease of ThCh\$2,654,409.

#### 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 probable effect on these financial statements if there was a 5% increase in the prices of raw materials would be an approximate income decrease of ThCh\$6,929,718. 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.



#### Note 24 Other operating income

Other operating income is detailed as follows as of December 31, 2010 and December 31, 2009:

Description	01/01/2010 12/31/2010 ThCh\$	01/01/2009 12/31/2009 ThCh\$
Gain on disposal of property, plant and equipment	548,111	241,429
Adjustment judicial deposit (Brazil)	450,299	442,683
Other	119,469	13,701
<b>Total</b>	<b>1,117,878</b>	<b>697,813</b>

#### Note 25 Other miscellaneous operating expenses

Other miscellaneous operating expenses are detailed as follows at December 31, 2010 and 2009:

Description	01/01/2010 12/31/2010 ThCh\$	01/01/2009 12/31/2009 ThCh\$
Tax on bank debits	2,966,852	2,459,110
Contingencies	1,257,579	831,048
Non-operating fees	1,656,515	823,649
Loss on the sale of property, plant and equipment	470,459	52,215
Donations	862,307	-
Others	562,112	628,129
<b>Total</b>	<b>7,775,824</b>	<b>4,794,151</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### Note 26 Finance income and costs

Finance income and costs break down as follows at December 31, 2010 and 2009:

#### a) Finance income

Description	01/01/2010 12/31/2010 ThCh\$	01/01/2009 12/31/2009 ThCh\$
Interest income	2,451,808	3,235,546
Other interest income	924,330	716,236
<b>Total</b>	<b>3,376,138</b>	<b>3,951,779</b>

#### b) Finance costs

Description	01/01/2010 12/31/2010 ThCh\$	01/01/2009 12/31/2009 ThCh\$
Bond interest	5,022,931	5,272,873
Bank loan interest	1,079,806	565,953
Other interest costs	1,299,094	2,284,678
<b>Total</b>	<b>7,401,831</b>	<b>8,123,504</b>

### Note 27 Other income/ expenses and adjustments

Other gains and losses as of December 31, 2010 and 2009 are presented below:

Description	01/01/2010 12/31/2010 ThCh\$	01/01/2009 12/31/2009 ThCh\$
Adjustment of judicial deposits (Brazil)	-	2,435,639
Derivative transactions	722,108	(1,368,800)
Property, plant and equipment write-off due to change of production facility	(416,618)	-
Insurance deductible and donations due to earthquake	(620,512)	-
Other non-operating income	(169,619)	(392,666)
<b>Total</b>	<b>(484,641)</b>	<b>674,173</b>



## Note 28 The environment

The Company has made disbursements totaling ThCh\$2,071,283 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:

Country	2010 Fiscal Year		Future commitments	
	Imputed to expenses ThCh\$	Imputed to property, plant and equipment ThCh\$	Imputed to expenses ThCh\$	Imputed to property, plant and equipment ThCh\$
Chile	28,957	242,072	150	19,337
Argentina	337,742	-	447,911	378,673
Brazil	1,424,835	37,677	298,664	-
<b>Total</b>	<b>1,791,534</b>	<b>279,749</b>	<b>746,725</b>	<b>398,010</b>

## Note 29 Subsequent events

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.

**SUMMARIZED FINANCIAL STATEMENTS – SUBSIDIARIES**

at December 31, 2010 and 2009

	Embotelladora Andina Chile S.A.	
	2010 ThCh\$	2009 ThCh\$
<b>Balance Sheet</b>		
<b>Assets</b>		
Current assets	4,365,554	10,000
Non-current assets	22,671,340	-
<b>Total assets</b>	<b>27,036,894</b>	<b>10,000</b>
<b>Liabilities</b>		
Current liabilities	27,379,999	-
Non-current liabilities	-	-
Capital and reserves	10,000	10,000
Accrued earnings (losses)	(353,105)	-
<b>Total liabilities and shareholders' equity</b>	<b>27,036,894</b>	<b>10,000</b>
<b>Income Statement</b>		
Operating income	(68)	-
Non-operating income	(376,285)	-
Income before income taxes	(376,353)	-
(Income) taxes	23,248	-
<b>Net income (loss)</b>	<b>(353,105)</b>	<b>-</b>
<b>Statements of Cash Flows</b>		
Cash flows from operating activities	(8,808)	-
Cash flows from investment activities	(26,352,622)	-
Cash flows from financing activities	26,351,878	10,000
Effect of inflation in cash and cash equivalents	-	-
Cash and cash equivalents at the beginning of the period	10,000	-
<b>Cash and cash equivalents at the end of the period</b>	<b>448</b>	<b>10,000</b>





	Vital S.A.	
	2010 ThCh\$	2009 ThCh\$
<b>Balance Sheet</b>		
<b>Assets</b>		
Current assets	5,792,674	13,683,393
Non-current assets	14,929,428	12,571,902
<b>Total assets</b>	<b>20,722,102</b>	<b>26,255,295</b>
<b>Liabilities</b>		
Current liabilities	6,470,617	5,632,510
Non-current liabilities	1,137,217	3,695,009
Capital and reserves	11,816,576	16,063,861
Accrued earnings (losses)	1,297,692	863,915
<b>Total liabilities and shareholders' equity</b>	<b>20,722,102</b>	<b>26,255,295</b>
<b>Income Statement</b>		
Operating income	1,700,485	757,002
Non-operating income	(41,841)	317,700
Income before income taxes	1,658,644	1,074,702
(Income) taxes	(360,952)	(210,787)
<b>Net income (loss)</b>	<b>1,297,692</b>	<b>863,915</b>
<b>Statements of Cash Flows</b>		
Cash flows from operating activities	2,498,447	316,289
Cash flows from investment activities	1,836,752	(427,698)
Cash flows from financing activities	(5,295,006)	-
Effect of inflation in cash and cash equivalents	-	-
Cash and cash equivalents at the beginning of the period	2,445,520	2,556,929
<b>Cash and cash equivalents at the end of the period</b>	<b>1,485,713</b>	<b>2,445,520</b>

**SUMMARIZED FINANCIAL STATEMENTS – SUBSIDIARIES**

at December 31, 2010 and 2009

	Transportes Andina Refrescos Ltda.	
	2010 ThCh\$	2009 ThCh\$
<b>Balance Sheet</b>		
<b>Assets</b>		
Current assets	3,008,300	2,511,943
Non-current assets	12,017,863	9,966,754
<b>Total assets</b>	<b>15,026,163</b>	<b>12,478,697</b>
<b>Liabilities</b>		
Current liabilities	11,792,299	9,740,527
Non-current liabilities	878,541	792,042
Capital and reserves	(4,513,125)	(3,047,063)
Accrued earnings (losses)	6,868,448	4,993,191
<b>Total liabilities and shareholders' equity</b>	<b>15,026,163</b>	<b>12,478,697</b>
<b>Income Statement</b>		
Operating income	8,244,253	6,037,493
Non-operating income	31,579	(7,201)
Income before income taxes	8,275,832	6,030,292
(Income) taxes	(1,407,384)	(1,037,101)
<b>Net income (loss)</b>	<b>6,868,448</b>	<b>4,993,191</b>
<b>Statements of Cash Flows</b>		
Cash flows from operating activities	2,291,049	3,816,558
Cash flows from investment activities	(788,673)	(1,274,738)
Cash flows from financing activities	(1,445,426)	(2,554,574)
Effect of inflation in cash and cash equivalents	-	-
Cash and cash equivalents at the beginning of the period	38,388	51,142
<b>Cash and cash equivalents at the end of the period</b>	<b>95,338</b>	<b>38,388</b>



Servicios Multivending Ltda.

	2010 ThCh\$	2009 ThCh\$
<b>Balance Sheet</b>		
<b>Assets</b>		
Current assets	984,083	933,355
Non-current assets	1,110,105	1,039,334
<b>Total assets</b>	<b>2,094,188</b>	<b>1,972,689</b>
<b>Liabilities</b>		
Current liabilities	375,634	242,197
Non-current liabilities	175,471	128,667
Capital and reserves	1,601,828	1,687,164
Accrued earnings (losses)	(58,745)	(85,339)
<b>Total liabilities and shareholders' equity</b>	<b>2,094,188</b>	<b>1,972,689</b>
<b>Income Statement</b>		
Operating income	(77,540)	(98,994)
Non-operating income	51,298	11,723
Income before income taxes	(26,242)	(87,271)
(Income) taxes	(32,503)	1,932
<b>Net income (loss)</b>	<b>(58,745)</b>	<b>(85,339)</b>
<b>Statements of Cash Flows</b>		
Cash flows from operating activities	460,477	(125,709)
Cash flows from investment activities	(517,295)	157,637
Cash flows from financing activities	-	-
Effect of inflation in cash and cash equivalents	-	-
Cash and cash equivalents at the beginning of the period	130,826	98,898
<b>Cash and cash equivalents at the end of the period</b>	<b>74,008</b>	<b>130,826</b>

**SUMMARIZED FINANCIAL STATEMENTS – SUBSIDIARIES**

at December 31, 2010 and 2009

	Andina Bottling Investments S.A.	
	2010 ThCh\$	2009 ThCh\$
<b>Balance Sheet</b>		
<b>Assets</b>		
Current assets	66,421	1,894,749
Non-current assets	213,535,201	216,437,536
<b>Total assets</b>	<b>213,601,622</b>	<b>218,332,285</b>
<b>Liabilities</b>		
Current liabilities	1,232,315	944,740
Non-current liabilities	-	-
Capital and reserves	195,718,938	214,472,350
Accrued earnings (losses)	16,650,369	2,915,195
<b>Total liabilities and shareholders' equity</b>	<b>213,601,622</b>	<b>218,332,285</b>
<b>Income Statement</b>		
Operating income	(301,745)	(298,936)
Non-operating income	16,952,114	3,189,849
Income before income taxes	16,650,369	2,890,913
(Income) taxes	-	24,282
<b>Net income (loss)</b>	<b>16,650,369</b>	<b>2,915,195</b>
<b>Statements of Cash Flows</b>		
Cash flows from operating activities	(296,718)	4,034,866
Cash flows from investment activities	1,680	-
Cash flows from financing activities	295,942	(4,041,822)
Effect of inflation in cash and cash equivalents	(2,303)	(30,330)
Cash and cash equivalents at the beginning of the period	18,359	55,645
<b>Cash and cash equivalents at the end of the period</b>	<b>16,960</b>	<b>18,359</b>



	Andina Bottling Investments Dos S.A.	
	2010 ThCh\$	2009 ThCh\$
<b>Balance Sheet</b>		
<b>Assets</b>		
Current assets	1,818,227	2,070,808
Non-current assets	159,096,032	130,716,749
<b>Total assets</b>	<b>160,914,259</b>	<b>132,787,557</b>
<b>Liabilities</b>		
Current liabilities	842,166	847,210
Non-current liabilities	-	-
Capital and reserves	114,172,333	92,145,304
Accrued earnings (losses)	45,899,760	39,795,043
<b>Total liabilities and shareholders' equity</b>	<b>160,914,259</b>	<b>132,787,557</b>
<b>Income Statement</b>		
Operating income	(272,285)	(298,666)
Non-operating income	46,536,371	40,335,335
Income before income taxes	46,264,086	40,036,669
(Income) taxes	(364,326)	(241,626)
<b>Net income (loss)</b>	<b>45,899,760</b>	<b>39,795,043</b>
<b>Statements of Cash Flows</b>		
Cash flows from operating activities	13,418,774	21,047,739
Cash flows from investment activities	-	-
Cash flows from financing activities	(13,418,952)	(21,356,913)
Effect of inflation in cash and cash equivalents	(21)	57,151
Cash and cash equivalents at the beginning of the period	3,911	255,934
<b>Cash and cash equivalents at the end of the period</b>	<b>3,712</b>	<b>3,911</b>

**SUMMARIZED FINANCIAL STATEMENTS – SUBSIDIARIES**

at December 31, 2010 and 2009

	Andina Inversiones Societarias S.A.	
	2010 ThCh\$	2009 ThCh\$
<b>Balance Sheet</b>		
<b>Assets</b>		
Current assets	2,301,659	2,292,207
Non-current assets	32,549,041	36,176,018
<b>Total assets</b>	<b>34,850,700</b>	<b>38,468,225</b>
<b>Liabilities</b>		
Current liabilities	5,307,290	11,793,341
Non-current liabilities	-	-
Capital and reserves	26,691,204	24,424,856
Accrued earnings (losses)	2,852,206	2,250,028
<b>Total liabilities and shareholders' equity</b>	<b>34,850,700</b>	<b>38,468,225</b>
<b>Income Statement</b>		
Operating income	(5,065)	(3,223)
Non-operating income	2,893,945	2,228,889
Income before income taxes	2,888,880	2,225,666
(Income) taxes	(36,674)	24,362
<b>Net income (loss)</b>	<b>2,852,206</b>	<b>2,250,028</b>
<b>Statements of Cash Flows</b>		
Cash flows from operating activities	6,685,416	2,064,070
Cash flows from investment activities	527	(4,527)
Cash flows from financing activities	(6,683,272)	(2,061,322)
Effect of inflation in cash and cash equivalents	-	(1,318)
Cash and cash equivalents at the beginning of the period	4,246	7,343
<b>Cash and cash equivalents at the end of the period</b>	<b>6,917</b>	<b>4,246</b>



Rio de Janeiro Refrescos Ltda.

	2010 ThCh\$	2009 ThCh\$
<b>Balance Sheet</b>		
<b>Assets</b>		
Current assets	80,513,470	74,224,077
Non-current assets	205,266,069	170,575,928
<b>Total assets</b>	<b>285,779,539</b>	<b>244,800,005</b>
<b>Liabilities</b>		
Current liabilities	57,613,519	42,951,972
Non-current liabilities	70,090,732	72,152,028
Capital and reserves	111,646,284	89,410,087
Accrued earnings (losses)	46,429,004	40,285,918
<b>Total liabilities and shareholders' equity</b>	<b>285,779,539</b>	<b>244,800,005</b>
<b>Income Statement</b>		
Operating income	72,725,437	60,455,360
Non-operating income	(4,551,457)	(3,161,786)
Income before income taxes	68,173,980	57,293,574
(Income) taxes	(21,744,976)	(17,007,656)
<b>Net income (loss)</b>	<b>46,429,004</b>	<b>40,285,918</b>
<b>Statements of Cash Flows</b>		
Cash flows from operating activities	42,397,218	58,560,636
Cash flows from investment activities	(48,057,591)	(19,109,953)
Cash flows from financing activities	411,261	(24,117,656)
Effect of inflation in cash and cash equivalents	122,948	(2)
Cash and cash equivalents at the beginning of the period	22,728,683	7,395,658
<b>Cash and cash equivalents at the end of the period</b>	<b>17,602,519</b>	<b>22,728,683</b>

**SUMMARIZED FINANCIAL STATEMENTS – SUBSIDIARIES**

at December 31, 2010 and 2009

	Embotelladora del Atlántico S.A.	
	2010 ThCh\$	2009 ThCh\$
<b>Balance Sheet</b>		
<b>Assets</b>		
Current assets	32,229,309	25,720,030
Non-current assets	52,249,237	56,200,559
<b>Total assets</b>	<b>84,478,546</b>	<b>81,920,589</b>
<b>Liabilities</b>		
Current liabilities	36,220,100	27,980,954
Non-current liabilities	8,499,033	10,282,219
Capital and reserves	26,877,901	30,503,087
Accrued earnings (losses)	12,881,512	13,154,329
<b>Total liabilities and shareholders' equity</b>	<b>84,478,546</b>	<b>81,920,589</b>
<b>Income Statement</b>		
Operating income	23,824,656	23,428,522
Non-operating income	(3,979,886)	(2,974,499)
Income before income taxes	19,844,770	20,454,023
(Income) taxes	(6,963,258)	(7,299,694)
<b>Net income (loss)</b>	<b>12,881,512</b>	<b>13,154,329</b>
<b>Statements of Cash Flows</b>		
Cash flows from operating activities	5,015,778	12,435,151
Cash flows from investment activities	(9,647,402)	(7,291,060)
Cash flows from financing activities	6,149,280	(7,626,317)
Effect of inflation in cash and cash equivalents	(38,639)	(557,624)
Cash and cash equivalents at the beginning of the period	613,581	3,653,431
<b>Cash and cash equivalents at the end of the period</b>	<b>2,092,598</b>	<b>613,581</b>

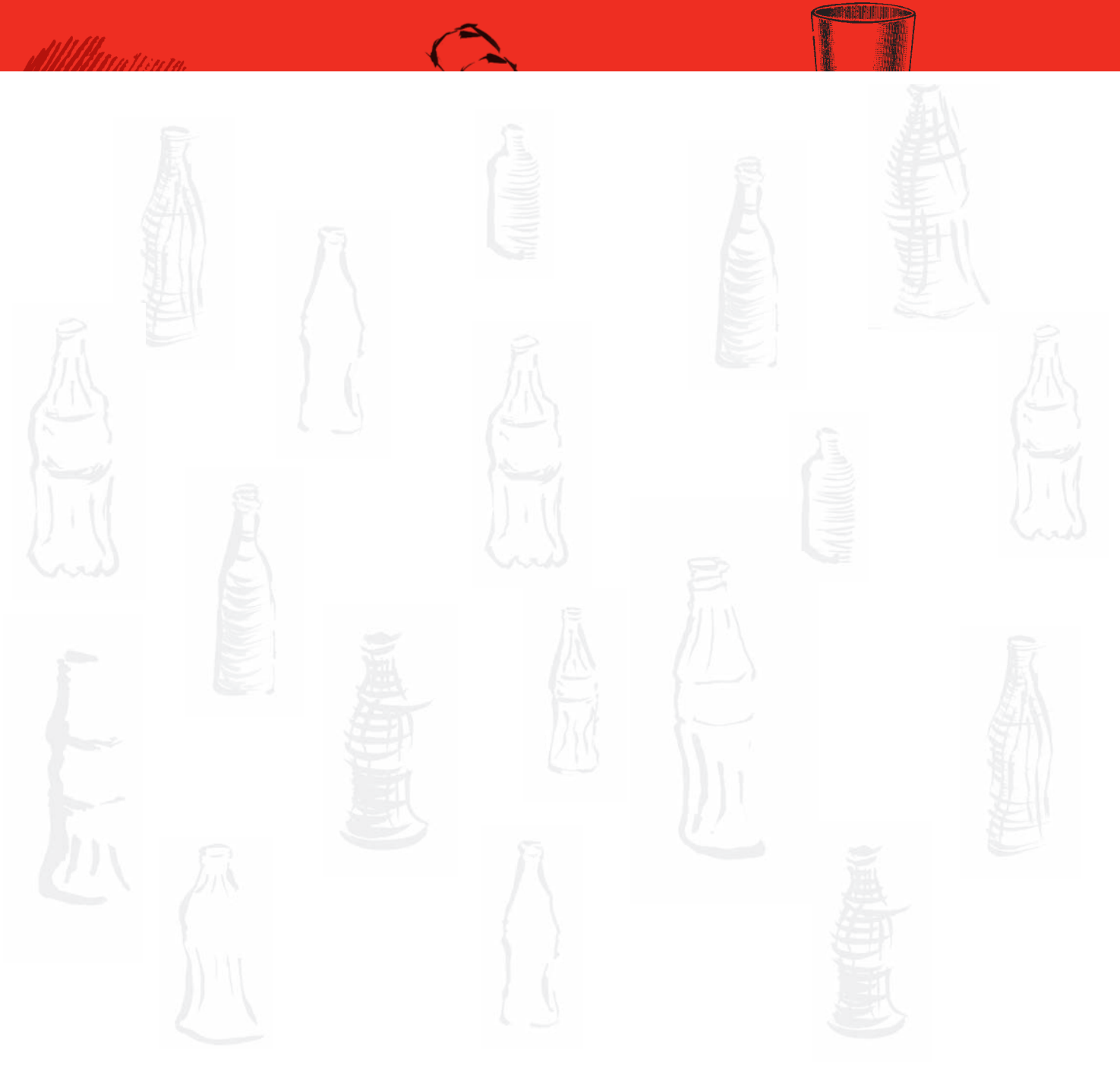




	Abisa Corp.	
	2010 ThCh\$	2009 ThCh\$
<b>Balance Sheet</b>		
<b>Assets</b>		
Current assets	93,965,031	86,321,341
Non-current assets	80,034,029	86,718,780
<b>Total assets</b>	<b>173,999,060</b>	<b>173,040,121</b>
<b>Liabilities</b>		
Current liabilities	107,267	266,305
Non-current liabilities	-	-
Capital and reserves	169,792,745	182,705,936
Accrued earnings (losses)	4,099,048	(9,932,120)
<b>Total liabilities and shareholders' equity</b>	<b>173,999,060</b>	<b>173,040,121</b>
<b>Income Statement</b>		
Operating income	(648,665)	(429,891)
Non-operating income	4,747,713	(9,502,229)
Income before income taxes	4,099,048	(9,932,120)
(Income) taxes	-	-
<b>Net income (loss)</b>	<b>4,099,048</b>	<b>(9,932,120)</b>
<b>Statements of Cash Flows</b>		
Cash flows from operating activities	11,594,375	13,686,291
Cash flows from investment activities	(19,706,059)	(38,106,163)
Cash flows from financing activities	-	-
Effect of inflation in cash and cash equivalents	(133,619)	(1,235,197)
Cash and cash equivalents at the beginning of the period	9,068,033	34,723,102
<b>Cash and cash equivalents at the end of the period</b>	<b>822,730</b>	<b>9,068,033</b>







The contour Coca-Cola bottle design, elements of Coca-Cola marketing campaigns, logos and brands in the following list, are trademarks of The Coca-Cola Company: Coca-Cola, Fanta, Sprite, Andina, Aquarius, Benedictino, Burn, Cepita, Crush, Crystal, Dasani, Del Valle Mais, Gladiator, Hugo, I9, Kuat, Kapo, Leão Ice Tea, Nestea, Nordic Mist, Powerade, Quatro, Schweppes and Vital.

All artwork and illustrations contained in this annual report are the property of Embotelladora Andina S.A.

Finance and Investor Relations  
Corporate Office  
Embotelladora Andina S.A.

Design and Production  
Izquierdo Diseño  
Ximena Izquierdo  
Claudia Morales

Artwork  
Ximena Izquierdo  
Pedro Garretón  
March 2011