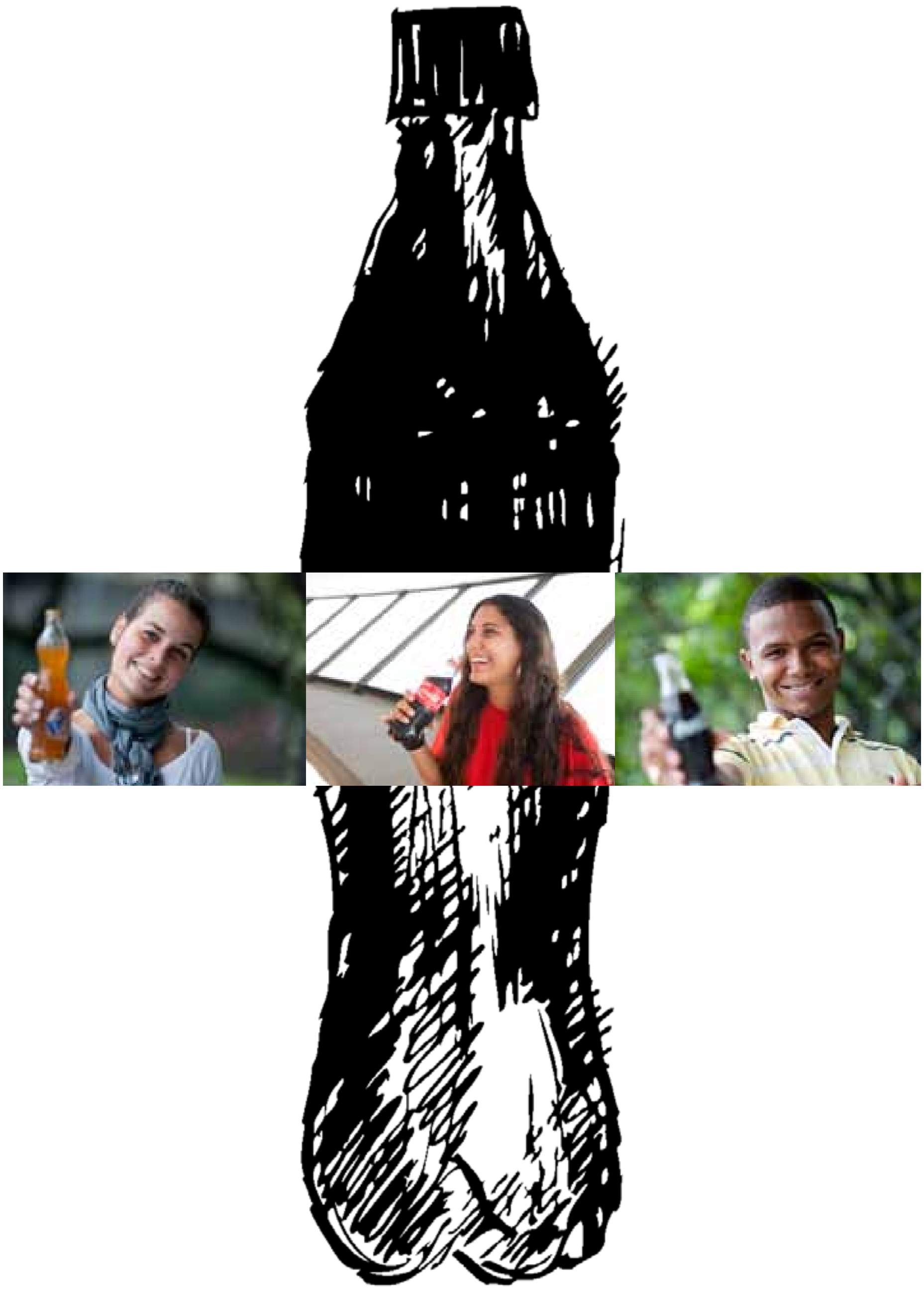

Annual Report 2011

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Brasil. 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.
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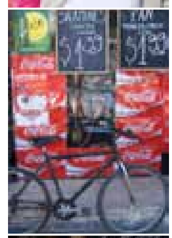

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2011 Annual Report

65 YEARS

Only the Beginning

Recycled art

The Company has been a leader in the market for several generations

Embotelladora Andina has been present in Chile for the past 65 years forming part of the country's idiosyncrasy. The Company has been a leader in the market for several generations pursuing the supply and excellence of Coca-Cola products in its franchises, and quality is a concept that cannot be waived. Andina sought for more and went beyond borders, betting on Argentina and Brazil. In 1993 it began its internationalization process in Argentina. Today, it is the second largest bottler in that country, with presence in the provinces of Mendoza, San Juan, San Luis, Córdoba, Santa Fe and Entre Ríos, servicing 9.8 million inhabitants, with 8 soft drinks production lines. The Company then embarked on a new challenge in the Brazilian market, acquiring Rio de Janeiro Refrescos in 1994. Today, with 17 years of presence in Brazil, delivering its products to over 17 million inhabitants in the states of Rio de Janeiro and Espirito Santo. This reflects how Andina has grown, alongside its employees, becoming a regional leader recognized for its operating excellence and efficient management, in Chile, Argentina and Brazil. Andina's 65 years motivated celebration and encounter. And in the context of this commemoration, there were a series of activities which called for all company employees and their families in the three operations. The first activity was to call a competition to find a new name for the corporate magazine as a way of strengthening identity. Mundo Andina was chosen and today it is delivered to each Company employee.

The America's Soccer Cup was not the only sporting event during 2011 in the region; Andina also had its own. More than 1,500 employees of Andina Chile, Brazil and Argentina, participated in

Ecology Masters, an artistic activity for the children of Andina employees.

Andina 65 Years's Soccer Cup, being the team of Brazil the winner of this championship. With the intention of rescuing Andina's most representative aspects the employees were invited to become inspired and write in a free and spontaneous manner about those moments that marked their lives in the company in a special way. More than 50 stories participated in the definition of the contest Your History is Our History*.

Also, as a way of strengthening the sense of belonging of families, Ecology Masters an artistic activity for the children of Andina employees was organized. Participating children dedicated all their creativity towards the concept of the environment. For the following years, Andina is responsible for ensuring that the business be conducted in a sustainable manner and that it will generate positive value to societies in which it operates and the environment. Sustainability is the focus that must be given in order to lead, decide and act so as to continue offering the best products to more than 37 million consumers in Chile, Argentina and Brazil.

These 65 years of Andina are a great accomplishment, but… they are only the beginning.

*View the book at www.embotelladoraandina.com

65 years are a great accomplishment

Our Company

Message from the Chairman of the Board

Several investment projects and the search for **opportunities** in the **region** are the reflection that 2011 has been a year of innovations.

To our Shareholders:

On behalf of the Board of Directors that I preside, I am very pleased to present the annual report and financial statements for the fiscal year 2011, at the end of which our Company is in a better position to face future challenges. Several investment projects and the search for growth opportunities in the region are the reflection that 2011 has been a year of innovations.

In consolidated terms, we exceeded our target of 500 million unit cases, reaching 501 million, reflecting a pro-forma growth of 4.4%, highlighting the 29.3% growth of the waters and juices category, as well as the increase in the market share for soft drinks in the three franchises where we operate. Revenues grew 12.3%, which enabled us to offset in great part the higher costs of raw materials we faced during 2011. Finally, operating income amounted to Ch$142,424 million, and net income was Ch$97,027 million. These results were impacted by several factors, such as the aforementioned increase in the cost of raw materials, the start-up of the new plant in Chile, and by the macroeconomic environment, which we discuss below.

During most of 2011, the European crisis created great volatility in the financial markets. Fortunately, Latin American economies were not significantly affected although there was a slowdown in growth during the second half of the year. Also, as a result of the crisis in Europe, during the last quarter of the year the currencies in the countries in which we operate depreciated against the U.S. dollar. Additionally, we observed a decline in the dollar value of raw materials we use to produce our products.

During 2011, in Chile the economy grew 6.3%, led by a growth in investment. Inflation reached 4.4%, above the Central Bank's target, although it should not be cause for concern during 2012, due to the slowdown that we are seeing in the aggregate demand. Regarding 2012, although the outcome of the European crisis is uncertain, Chile's strong fiscal position should enable the country to continue growing, with an expected 4.0% growth in the economy.

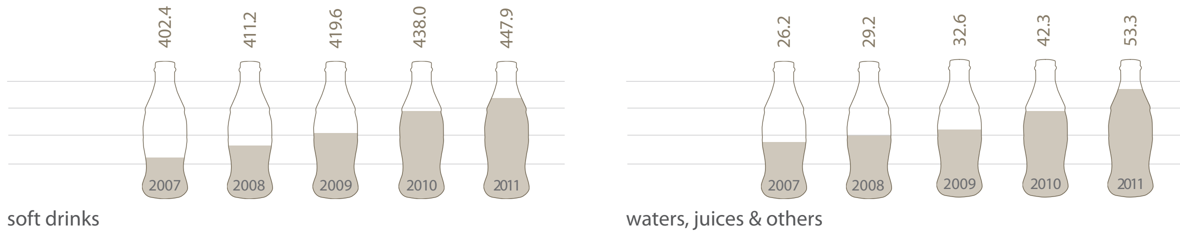
Brazil recorded a 3.0% growth in the economy during 2011, indicative of a strong slowdown compared to the 7.5% growth in 2010. Much of this slowdown is a result of a tighter fiscal policy, aimed at reducing inflation. It is expected that fiscal policy during 2012 should be a stimulus for the economy, with a 3.5% expansion, emphasizing on an improvement in private consumption during the second half of the year. It is also estimated that inflation will drop to 5.0% in 2012, while it reached 6.5% in 2011.

In Argentina, 2011 finished with an economic growth of 8.8%, leveraged in the growth of private consumption. This growth is above the economy's growth potential, and for 2012 a slowdown of the economy is expected, attaining a 4.5% growth. Inflation is expected to remain at 25% or so.

During 2011, Embotelladora Andina continued its aggressive investment plan, with a total of US$262 million invested, a 40% increase above the previous year. The most emblematic investment is the construction of our new production plant in Renca, Santiago, which will replace the current plant located in San Joaquin, and will enable us to significantly increase our production capacity. The new plant is now operating with four new lines with the latest technology, and during the second quarter of 2012, the five lines which are being transferred from San Joaquin, will also be operating. I would like to add, that this plant was designed with the highest standards of energy efficiency.

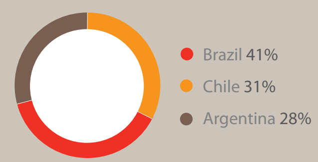
Among the most important accomplishments in Brazil was the start-up of the group´s largest bottling line, with a total capacity for 36,000 PET bottles/hour. This investment will allow our Brazilian operation to produce almost 100% of soft drinks sold (or become self sufficient in soft drink production). Also worthy of mention was the reconstruction of the Nova Iguaçu distribution center and the signing of the contract to install a BOT co-generation plant that will supply our Brazilian operation with electricity, carbonic gas, steam, cold and nitrogen.

In Argentina the Company launched a new line for returnable products and a new packaging line for sensitive products such as



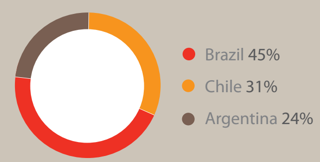
Consolidated Sales Volume
(million unit cases)

sales volume[1]



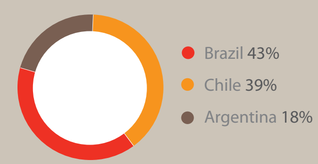
501 million unit cases

net sales



US$2,031 million

ebitda



US$376 million

[1] Includes soft drinks, waters, juices and others sold only in Andina's franchise

water, Powerade, and Aquarius. Worth mentioning also is that during 2011 a liquid sugar processing plant was built, which will begin operating during the first months of 2012, and will allow us to use raw sugar in our processes, thereby reducing our sweetener cost.

Regarding launches, in Chile we introduced the 3.0 liter Returnable Pet bottle, making us the first bottler in the world in launching this format. We also introduced Powerade in Brazil, and in Argentina we broadened the range of flavors for Powerade and Cepita.

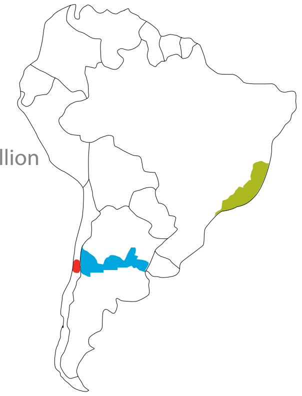
I would also like to ratify the commitment of the Company with free competition, which is reflected in the conciliation agreement which was signed with the Chilean *Fiscalía Nacional Económica* (the National Economic Prosecutor's Office), and Embotelladora Latinoamericana, Embotelladora Castel, Industrial and Comercial Lampa S.A., and Sociedad Comercial Antillanca. This agreement puts an end to the process begun on April 19, 2011 before the *Tribunal de Defensa de la Libre Competencia* (Chile's Antitrust court), by introducing mechanisms that will help maximize competition in the traditional channel. In addition, this agreement allows us to focus in our business and continue developing our strengths, which include our logistic capacity to serve more than 30,000 customers per week, as well as the brand portfolio that we bottle and sell.

But all this would not be possible without the daily efforts of our employees. For them, we want to continue creating opportunities for professional and personal development in line with their expectations. This is why during 2011 a new boost was given to people management, by defining specific goals in the field of labor environment and skills' development. Another corporate focus has been to listen to the demands of the communities near our operations. The commitment made with the 2020 Education Foundation follows the line defined in Andina to contribute to society at one of its fundamental pillars: access to quality education. This is compounded by our efforts to collaborate with the development of sports and promoting entrepreneurship in Chile, Argentina and Brazil.

Finally, I would like to thank all our shareholders for the confidence placed in the Board of Directors; the executive team and all our workers for the commitment, professionalism and dedication; our clients and customers for preferring our products; and our suppliers for helping us deliver top quality products. Together, we have managed to create a great Company that will allow us to continue making our aspirations come true.

Juan Claro G.
Chairman of the Board of Directors

Chile Región Metropolitana, San Antonio, Cachapoal Franchise Inhabitants: 7.7 million
Brazil Rio de Janeiro, Espíritu Santo Franchise Inhabitants: 17.6 million
Argentina Mendoza, San Juan, San Luis, Córdoba, Santa Fe, Entre Ríos Franchise Inhabitants: 10.3 million



General Information

Consolidated Financial Highlights

	IFRS		Chilean GAAP1[1]		
	2011	2010	2009	2008	2007
Net Sales	982,864	888,714	785,845	847,301	636,689
Operating Income	142,424	149,234	133,123	138,677	115,494
Net Income	97,027	103,600	97,985	94,836	81,602
EBITDA	181,922	186,248	169,929	176,734	144,642
Total Assets	750,020	695,206	648,945	602,957	540,428
Financial Debt	89,324	83,219	77,418	86,257	85,326
Shareholders' Equity	421,979	394,865	373,558	346,249	281,149
EOP price Andina A (Ch$)	1,850	1,920	1,440	1,175	1,340
EOP price Andina B (Ch$)	2,270	2,369	1,737	1,425	1,440
EOP price AKO A (US$)	20.85	23.80	16.82	10.52	16.75
EOP price AKO B (US$)	25.94	30.20	20.49	13.72	18.80

(million nominal Chilean pesos, except for EOP share price)

[1] Figures in Chilean GAAP are also expressed in nominal pesos of each year

Embotelladora Andina is among the ten largest Coca-Cola bottlers in the world, servicing franchised territories with 36 million people, delivering over 7.8 million liters of soft drinks, juices, and bottled waters on a daily basis. 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.

HISTORY

Since the 1940s until today

One gallon
Coca-Cola syrup

In 1994, the Company enters the international markets placing ADRs on the NYSE

In 2011 Andina commemorates 65 years and the new bottling facility in Chile begins operations. The juice business is restructured and Vital becomes Vital Juices, a joint venture with the other Coca-Cola bottlers in Chile. In 2010 Andina significantly increases production and distribution capacity in the three franchises. In 2009 Andina commemorates its 15th Anniversary of listing on The New York Stock Exchange.
In Argentina we received the National Award for Quality. 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. In 2007 Andina inaugurates Maipú and Puente Alto Distribution Centers in Santiago.
The Mais Indústria de Alimentos Joint Venture is formed in Brazil among TCCC and the Coca-Cola bottlers. In 2006 the Company obtains the 2005 National Award for Quality and Competitiveness in Chile.

In 2005 Vital is divided into two companies, creating Vital Aguas that along with the Coca-Cola bottlers in Chile develops the water business. In 2004 franchise swap of Governador Valadares for Nova Iguacu between Rio de Janeiro Refrescos and a subsidiary of The Coca-Cola Company (TCCC). Series B shares of Andina become eligible as investment instruments for the Chilean Pension Funds.In 2003 Embotelladora del Atlántico (EDASA) takes control over CIPET. Andina is awarded the "Carlos Vial Espantoso" award. In 2002 EDASA concentrates all productive operations in Córdoba. In 2001 Joint Venture between Multipack and Crowpla creating Envases CMF. Andina issues UF 7,000,000 in bonds (7 and 25 years). In 2000 Acquisition of the Brazilian Coca-Cola bottler for Niteroi, Vitoria and Governador Valadares. In 1999 inauguration of the Montecristo production facility in Córdoba. In 1998 Andina repurchases 49% stake that TCCC held in Vital and TCCC remains with ownership of all brands. In 1997 stock split

By-laws were approved on March 13, 1946

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 1996 a 49% ownership interest of Vital is sold to TCCC along with the brands: Kapo, Andina and Vital. Expansion continues in Argentina acquiring an additional 36% ownership interest in EDASA, an additional 79% in INTI ,100% of CIPETin Buenos Aires, and a 15% of Cican. TCCC enters into Andina's ownership with an 11% stake. In 1995 Envases Central begins operations. Greater presence in the Argentine market with the acquisition of EDASA, controller of the Coca-Cola bottling facilities for the franchises of Rosario and Mendoza. In 1994 placement of 7,076,700 ADRs on the NYSE. 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 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. In 1991 Envases Multipack in the packaging business begins operations. In 1986 sale of the bottling facility in Viña del Mar.
In 1985 Inversiones Freire acquires control over Andina. In 1984 launch of Diet Coca-Cola. In 1982 Andina sells its ownership interest in Embotelladora Talca and Embotelladora Concepción to Sociedad de Inversiones Williamson. In 1981 the plastishield non-returnable format is introduced in Chile. Launch of diet soft drinks, TAB and Sprite Light. 1980 Launch of the PET non-returnable 2 lt bottle. In 1979 operations begin at the Chanqueahue Vital production facility in Rengo and Embotelladora Concepción in Temuco. 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. In 1975 the Company acquires a 34% ownership interest in Embotelladora Talca. In 1974 the Company acquires an additional 46% in Embotelladora Concepción. 1960 The San Joaquín Plant is inaugurated in Santiago. The Company acquires a 45% ownership interest in Embotelladora Concepción. 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").

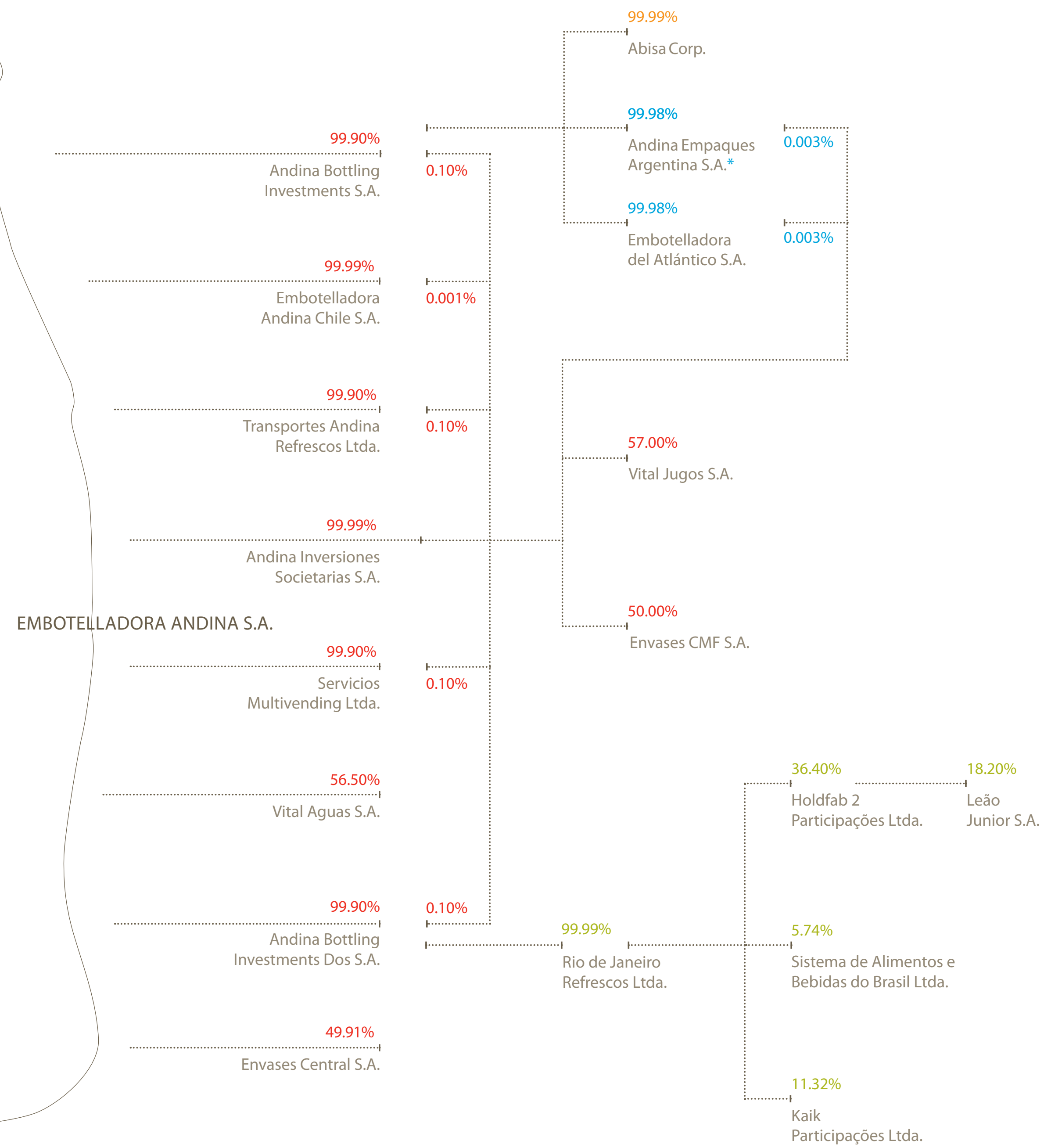
Deeds of Incorporation

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.

Incorporated by public deed on February 7, 1946

COMPANY STRUCTURE

CHILE BRAZIL ARGENTINA BRITISH VIRGIN ISLANDS



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

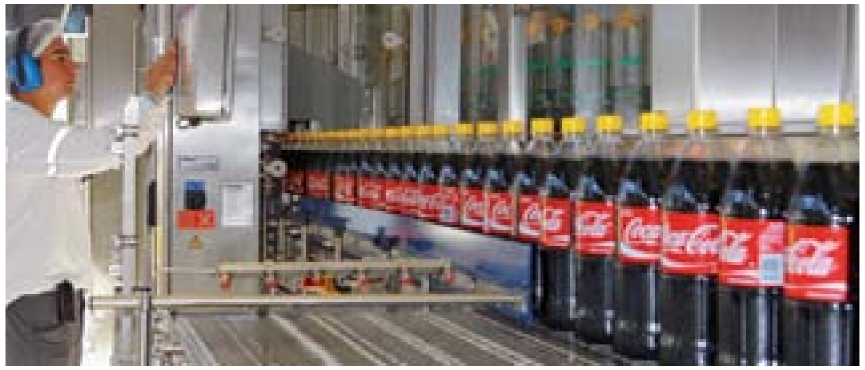
CORPORATE GOVERNANCE

Andina's management is controlled by a Board of Directors

Andina's Directors are elected for periods of three years

Andina's management is controlled by a Board of Directors[1], 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.[2] 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.[3]

The Company's Board of Directors is counseled by an Executive Committee that proposes Company policies and is currently comprised by the following Directors: Mr. Arturo Majlis Albala, Mr. José Antonio Garcés Silva (junior), Mr. Gonzalo Said Handal and Mr. Salvador Said Somavía, who were elected during Extraordinary Board Session N°1031 held April 14, 2009. It is also comprised by the Chairman of the Board,

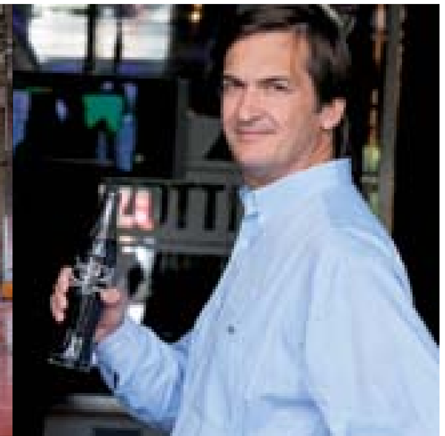


[1] For the period ended December 31, 2011, the Board of Directors incurred in Ch$272.1 million for advisory expenses, primarily related to the strategic review of the Company and the exploration of new markets.

[2] 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.

[3] 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 have 50.1% of the total shares to elect a director.

More information available on our website



Mr. Juan Claro González and by the Chief Executive Officer, who participate by own right. This committee meets permanently throughout the year and normally holds three or four monthly sessions.

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 to 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.

www.embotelladoraandina.com

The Company's **Directors's Committee** is comprised of the following members: Mr. Heriberto Urzúa Sánchez (as Committee Chairman), Mr. Arturo Majlis Albala and Mr. Salvador Said Somavía.

Among other things, the **Audit Committee** is responsible for ensuring that managment develops reliable internal controls

DIRECTORS' COMMITTEE[1]

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

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

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

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

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

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

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

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

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

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

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

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

All other matters required by company bylaws or that may be required by the Shareholders' Meeting or by the Board of Directors.

During 2011, the following matters were addressed:

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

• Review anonymous reports: During Sessions: N°93 on January 25; N°94 on February 22; N°95 on March 29; N°96 on April 26; N°97 on May 24; N°98 on June 28; N°99 on July 26: N°100 on August 29; N°101 on September 30; N°102 on October 25; N°103 on November 22; N°104 on December 2; and N°105 on December 22.

• Review and approve Annual Report: Session N°95 on March 29.

• Review and approve 20F and fulfill Rule 404 of the Sarbanes-Oxley Act: Session N°98 on June 28.

• Review contingencies: During Sessions N°93 on January 25, N°99 on July 26, N°100 on August 29; and N°104 on December 2.

• Approve Audit Committee budget: Session N°95 on March 29.

• Review pending legal proceedings: Sessions N°100 on August 29, N° 101 on September 30, N°102 on October 25, N°103 on November 22, N°104 on December 2; and N°105 on December 22.

• Review treatment of expenses on preforms: Session N°103 on November 22.

• Review Internal Control reports: Sessions N°103 on November 22 and N°104 on December 2.

SARBANES-OXLEY AUDIT COMMITTEE[2]

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. 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. Also, 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.

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

Board of Directors

Directors	Alternate Directors
Juan Claro[1] Chairman of the Board Entrepreneur Rut: 5.663.828-8	**Ernesto Bertelsen** Commercial Engineer Rut: 5.108.564-7
Salvador Said[2] Vice-Chairman of the Board Commercial Engineer Rut: 6.379.626-3	**José Domingo Eluchans** Attorney at Law Rut: 6.474.632-4
José Antonio Garcés[3] Commercial Engineer Rut: 8.745.864-4	**Patricio Parodi** Commercial Engineer Rut: 8.661.203-8
Arturo Majlis[4] Attorney at Law Rut: 6.998.727-3	**Cristián Alliende** Civil Engineer Rut: 6.379.873-8
Gonzalo Said[5] Commercial Engineer Rut: 6.555.478-K	**José María Eyzaguirre** Attorney at Law Rut: 7.011.679-0
Brian J. Smith Bachelor of Arts and MBA Foreign citizen	**Jorge Hurtado[6]** Civil Engineer Rut: 5.200.545-0
Heriberto Urzúa[7] Commercial Engineer Rut: 6.666.825-8	**Gonzalo Parot** Industrial Civil Engineer Rut: 6.703.799-5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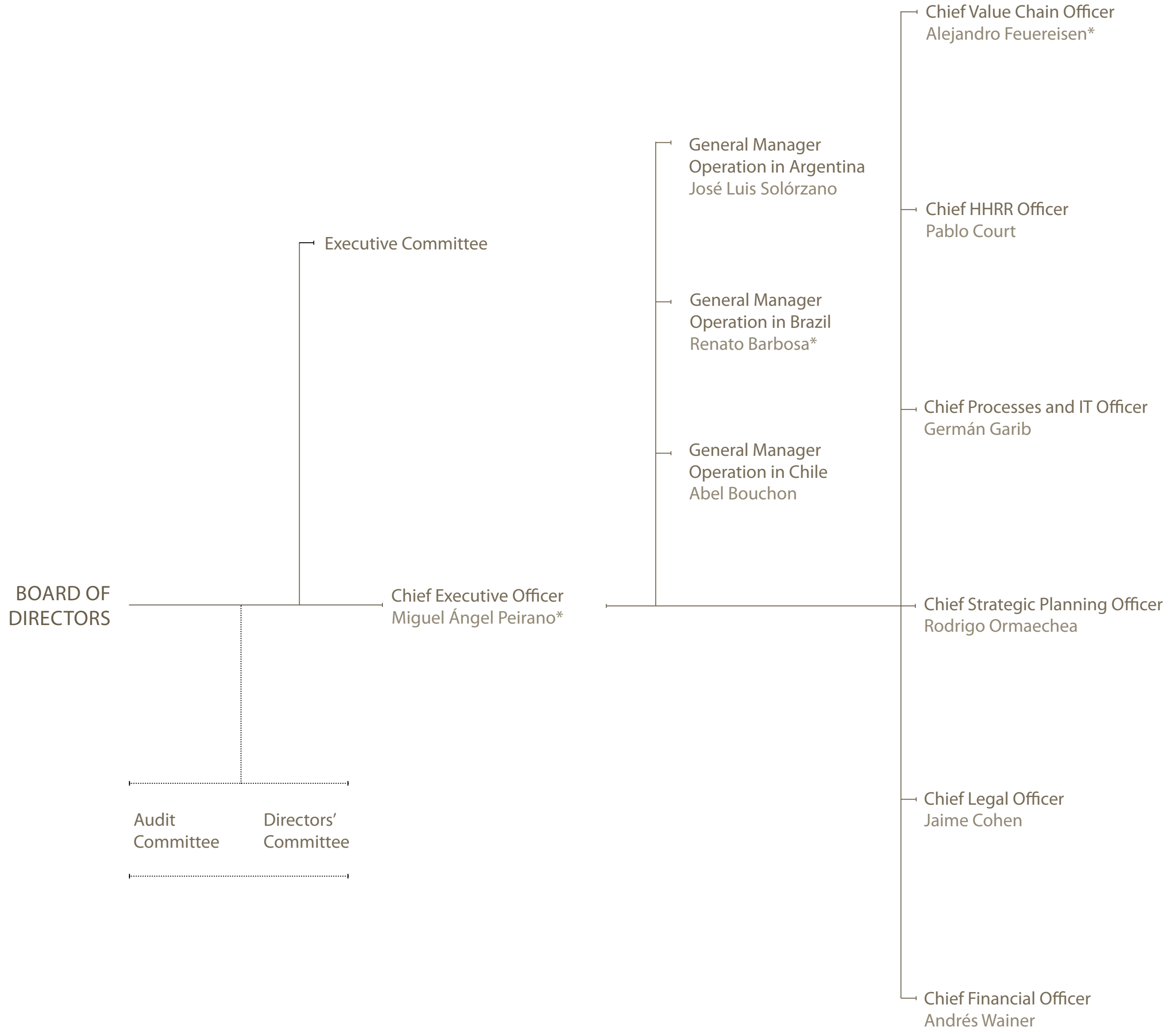
Our Employees

Chile / Brazil / Argentina

	Executives	Technicians and Professionals	Other Employees	Temporaries	Total 2011
Chile Embotelladora Andina S.A.	42	650	716	324	1,732
Brazil Rio de Janeiro Refrescos Ltda.	79	1,451	1,317	-	2,847
Argentina Embotelladora del Atlántico S.A.	85	349	1,115	343	1,892
Total	206	2,450	3,148	667	6,471

ADMINISTRATIVE STRUCTURE



*The Company's operations in Chile, Brazil and Argentina report to the Corporate Office.
Effective December 31, 2011, the following officers no longer work at the Company: Jaime García, former Chief Executive Officer, his resignation was reported as a material event on July 13, 2011 to the Chilean Superintendence of Securities and the SEC, and also posted on our website. Michael Cooper, former Vice-president of Business Development. Osvaldo Garay, former Chief Administration Officer. Renato Barbosa joins the Company in Brazil effective January 1, 2012, replacing Alejandro Feuereisen who joins the Corporate Office as Chief Value Chain Officer.

MANAGEMENT STRUCTURE

*The Company's operations in Chile, Brazil and Argentina report to the Corporate Office.
Effective December 31, 2011, the following officers no longer work at the Company: Jaime García, former Chief Executive Officer, his resignation was reported as a material event on July 13, 2011 to the Chilean Superintendence of Securities and the SEC, and also posted on our website. Michael Cooper, former Vice-president of Business Development. Osvaldo Garay, former Chief Administration Officer. Renato Barbosa joins the Company in Brazil effective January 1, 2012, replacing Alejandro Feuereisen who joins the Corporate Office as Chief Value Chain Officer.

CORPORATE OFFICE*

Miguel Ángel Peirano*
Chief Executive Officer
RUT: 23.836.584-4, Electrical Engineer

Andrés Wainer
Chief Financial Officer
RUT: 10.031.788-5, Economist

Alejandro Feuereisen*
Chief Value Chain Officer
RUT: 6.060.032-5, Business Administrator

Rodrigo Ormaechea
Chief Strategic Planning Officer
RUT. 23.314.352-9, Commercial Engineer & MBA

Pablo Court
Chief Human Resources Officer
RUT: 7.062.927-5, Commercial Engineer

Jaime Cohen
Chief Legal Officer
RUT: 10.550.141-2, Attorney at Law

Germán Garib
Chief Process & Information Officer
RUT: 7.366.921-9, Civil Engineer

Ricardo Lledó
Controller
RUT: 10.399.990-1, Certified Public Accountant

PRINCIPAL OPERATIONS

Chile

EMBOTELLADORA ANDINA S.A.

Abel Bouchon
General Manager

José Tupper
Industrial Manager

Pablo Jabat
Finance and Administration Manager

Sergio Rojas
Logistics Manager

Vicente Domínguez
Sales Manager

José Antonio Riesco
Marketing Manager

Rodrigo Marticorena
Human Resources Manager

Claudio Alzérreca
Safety, Quality and Environment Manager

Karin Angerstein
Legal Deputy Manager

Brazil

RIO DE JANEIRO REFRESCOS LTDA.

Renato Barbosa*
General Manager

Rodrigo Klee
Industrial Manager

David Parkes
Finance and Administration Manager

Pablo Bardin
Logistics Manager

Daniel Cappadona
Sales Manager

Cecilia Lafayette
Quality Manager

Max Ciarlini
Human Resources Manager

Lucio Ferez
Process Manager

Fernando Fragata
Legal Manager

Diego Garavaglia
Espírito Santo Division Manager

Argentina

EMBOTELLADORA DEL ATLÁNTICO S.A.

José Luis Solorzano
General Manager

Mario La Torre
Industrial Manager

Fernando Ramos
Finance and Administration Manager

Santiago López
Logistics & Distribution Manager

Fabián Castelli
Sales Manager

Daniel Caridi
Packaging Division Manager

Lilia Hidalgo
Human Resources Manager

Tomás Zarazaga
Innovation and Projects Manager

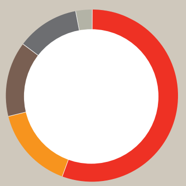
Hugo Aquerman
Institutional Relations Manager

* Renato Barbosa joins the Company in Brazil effective January 1, 2012, replacing Alejandro Feuereisen who becomes a part of the Corporate Office.

Recycled art

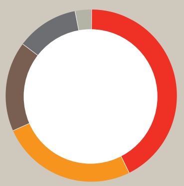
Company Ownership

series A



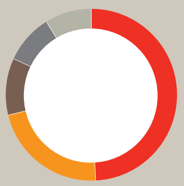
- [1]Controlling Group 55.0%
- Others 16.0%
- Chilean Pension Funds 15.3%
- Coca-Cola 11.0%
- ADRs 2.7%

series B



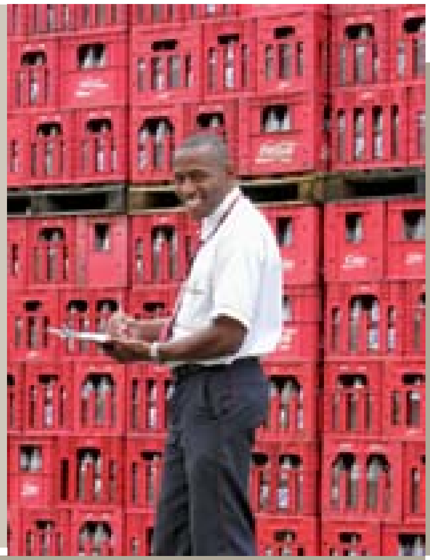
- [1]Controlling Group 42.4%
- Others 29.0%
- ADRs 15.8%
- Coca-Cola 11.0%
- Chilean Pension Funds 1.7%

total



- [1]Controlling Group 48.7%
- Others 22.5%
- Coca-Cola 11.0%
- ADRs 9.2%
- Chilean Pension Funds 8.5%

[1]See Description of Controlling Group on page 72



TWELVE MAIN SHAREHOLDERS

	Series A	Series B	Total Shares	Ownership
Inversiones Freire Ltda.[2]	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	10,120,224	59,916,810	70,037,034	9.2%
Inversiones Mar Adentro Limitada[2]	-	38,978,263	38,978,263	5.1%
Inversiones SH Seis Limitada[2]	-	37,864,863	37,864,863	5.0%
Inversiones Caburga S.A.[2]	-	32,000,000	32,000,000	4.2%
Banco Santander - JP Morgan	24,342,160	6,184,294	30,526,454	4.0%
Banco de Chile por Cuenta de Terceros	4,459,183	21,263,445	25,722,628	3.4%
Inversiones Nueva Sofía S.A.[2]	-	25,678,583	25,678,583	3.4%
Inversiones Ledimor Chile Ltda.[2]	-	17,650,863	17,650,863	2.3%
Banco Itaú por cuenta de Inversionistas	5,182,168	12,090,931	17,273,099	2.3%
Larraín Vial S.A. Corredora de Bolsa	3,580,275	12,232,400	15,812,675	2.1%

[2]Company related to the Controlling Group

Dividends*

		Series A[1]	Series B[1]	Total paid[2]
January	Interim	8.50	9.35	6,785
April	Final	13.44	14.784	10,729
July	Additional	50.00	55.00	39,914
July	Interim	8.50	9.35	6,785
October	Interim	8.50	9.35	6,785
Total 2011		88.94	97.834	71,000
Total 2010		85.70	94.27	68,413
Total 2009		77.84	85.62	62,138

[1]Ch$ per share
[2]Million nominal Ch$

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 2011 would represent 30% of Company earnings if the General Shareholders' Meeting, to be held during the month of April of 2012, approves a final dividend of Ch$10.97 for Series A shares and Ch$12.067 for Series B shares. During 2011 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.

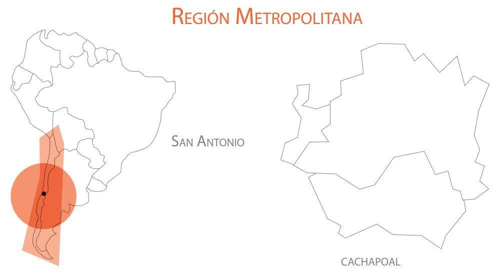
*All dividend payments were informed as material events and timely filed with the Chilean Superintendence of Securities and the SEC and also posted on our website

Dividend distribution policy: 30% of yearly earnings

Our Business

CHILE

Región Metropolitana, San Antonio and Cachapoal



Operating Income US$116.1 million

Total Sales Volume

157.8 million unit cases

Annual Consumption Per Capita

Soft drinks 418

Juices & Others 36

Waters 33

8 oz. bottles

EBITDA US$148.9 million

Clients 48 thousand

Extension 24 thousand km^2 Franchise Inhabitants 7.7 million

Soft drinks 134.8

Juices & Others 12.4

Waters 10.6

million unit cases

Soft drinks Market Share 69.3%

Message from the General Manager, Chile

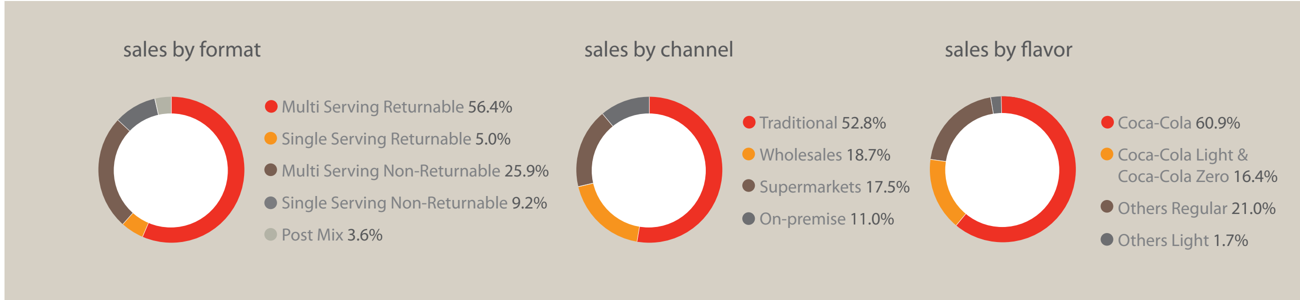
During 2011, both the growth of the economy and private consumption in Chile were within the expected range, allowing us a healthy 8% sales growth, distributed among all of our categories especially in juices and waters. We continue developing our Route to Market processes, focused on the pursuit and development of all our clients, emphasizing on building activities in order to strengthen the Mom & Pops channel. Proof of our commitment to nearly forty thousand customers that conform this channel, is the investment in cooling equipment, implementation of control and execution tools, generation of innovation projects and our strategy focused on returnable formats. We were also recognized for our levels of service and attention in other channels and for implementing technological tools to strengthen dialogue with customers and consumers, which are reflected in the solid market shares obtained.

Our San Joaquin plant operated with historic efficiency, both in use of lines as in consumption of energy and water; at the same time we started the implementation of our new Renca plant filling lines and the outcome confirms that we can capture even more productivity gains in the coming months. The new lines allowed us to successfully launch new formats for sparkling soft drinks such as PET 591 cc and REF PET 3 liters. The latter is a worldwide milestone, since it is a unique format that responds to the growing consumer preference and an addition to our returnable product portfolio that will allow great advantage in time. In conjunction with Coca-Cola and aligned with the market trends, we launched Minute Maid, Powerade 1 liter, Benedictino 6 liters and other additions enabling us to improve our performance in the stills category.

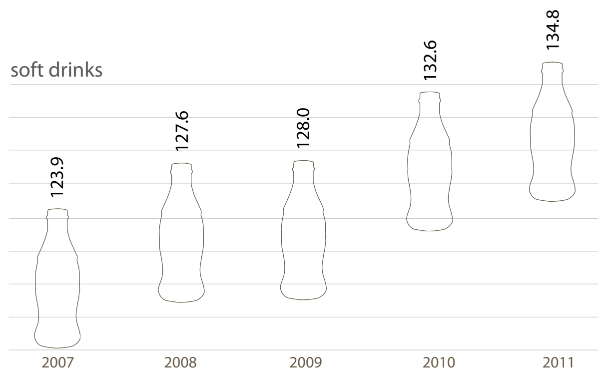
2011 marked a year of consolidation in terms of labor relations. Five Union Agreements were signed with duration of four years, and we launched the Andina Training Program, aimed towards promoting development of skills and knowledge through scholarships.

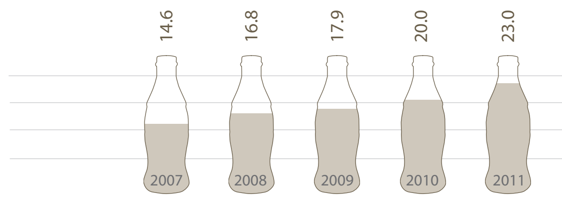
We face 2012 enthusiastically to pursue the initiatives built in recent years, capturing the opportunities present in the market, trusting that our team will maintain the leadership of Andina and reach the established goals.

Abel Bouchon
General Manager, Chile



Sales Volume
(million unit cases)

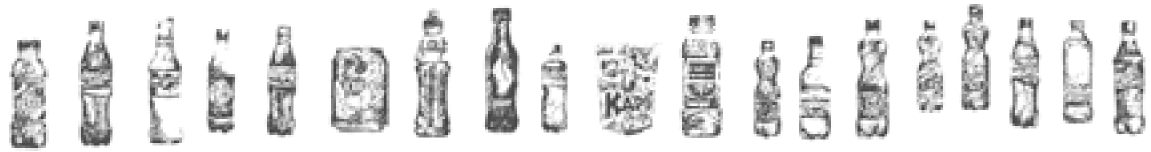




waters, juices & others

We will face 2012 enthusiastically to pursue the initiatives developed in recent years; trusting that our team will maintain the leadership of Andina

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, Quatro Light sabor Pomelo and Benedictino.



Business Description*

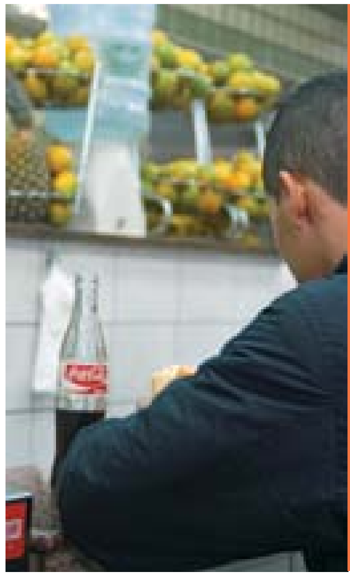
Embotelladora Andina produces and distributes the following products licensed by The Coca-Cola Company: Coca-Cola, Coca-Cola Light, Coca-Cola Zero, Fanta Naranja, Fanta Limón, Fanta Uva, Fanta Frutilla, Fanta Zero Naranja, Sprite, Sprite Zero, Nordic Mist Agua Tónica, Nordic Mist Ginger Ale, Quatro sabor Guaraná, Quatro Light sabor Pomelo and Benedictino. Additionally it distributes the products of Vital Jugos, 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.



Our new Renca bottling facility began operating with 4 new lines

Main Clients

Walmart Chile Comercial S.A., Cencosud Retail S.A., Alvi Supermercados Mayoristas S.A., Rendic Hnos. S.A., Hipermercados Tottus S.A., Alimentos Fruna Ltda., Distribuidora Don Francis S.A., Super Diez S.A., Ekono S.A. and Supermercados Montserrat S.A.C.

Suppliers of Main Raw Materials

Concentrate
Coca-Cola de Chile S.A.[1]

Sweetner
Industria Azucarera Nacional S.A.

Water
Aguas Andinas S.A.

Carbon dioxide
Linde Gas Chile S.A.

Packaging (bottles)
Envases CMF S.A.[2]
Cristalerías de Chile S.A.
Cristalerías Toro S.A.C.I.

Aluminum Cans and Caps
Rexam Chile S.A.

Caps
Alusud Embalajes Chile Ltda.
Inyecal S.A.
Alucaps Mexicana S.A. de C.V.
Sánchez e Hijos Limitada

Electric Energy
Chilectra S.A.

[1] Shareholder
[2] Related Company

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 2011 was 82.0%. Additionally, during the fourth quarter of 2011 two lines began production at the Renca bottling facility.

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 350 third party trucks.

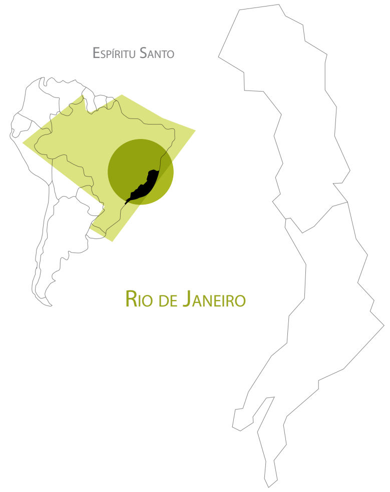
Also, as an additional service, Embotelladora Andina manages 2,420 vending machines for soft drinks and snacks through the subsidiary, Servicios Multivending.

82.0% average utilization capacity during 2011

*For an in-depth description of our business in Chile, refer to our annual report on Form 20-F available on our website: www.embotelladoraandina.com

BRAZIL

Rio de Janeiro, Niteroi, Vitoria & Nova Iguaçu



Operating Income US$132.4 million

Total Sales Volume

205.1 million unit cases

Annual Consumption Per Capita

Soft drinks 251

Juices & Others 18

Waters 6

8 oz. bottles

Clients 68 thousand

Extension 90 thousand km^2 Franchise Inhabitants 17.6 million

Soft drinks 183.5

Juices & Others 13.4

Waters 4.5

Beers 3.7

million unit cases

EBITDA US$165.1 million

Soft drinks Market Share 57.4%

Message from the General Manager, Brazil

Due to the slowdown of the Brazilian economy in 2011, our growth performance has been negatively affected; however our market share remains stable at a solid 57.4%. We are directly servicing 66 thousand customers with a range of 250 SKUs and over 50% coverage in cooling equipments, achieving the highest levels of service of our history.

Within the context of Andina's 2020 vision, the 2014 World Cup and the 2016 Olympic Games, we have engaged in business with major operators of emblematic points in the city of Rio de Janeiro as Orla Rio and Corcovado, and we finished the Happiness Factory project intended for the visitors at our bottling facilities.

In terms of logistics, we consolidated the operation of the new Distribution Center at Bangú, we finished the reconstruction of the Distribution Center at Nova Iguaçu and optimized our inter-deposits transportation network through night freights. This year we achieved the best service rates of the last years, with an average 97%.

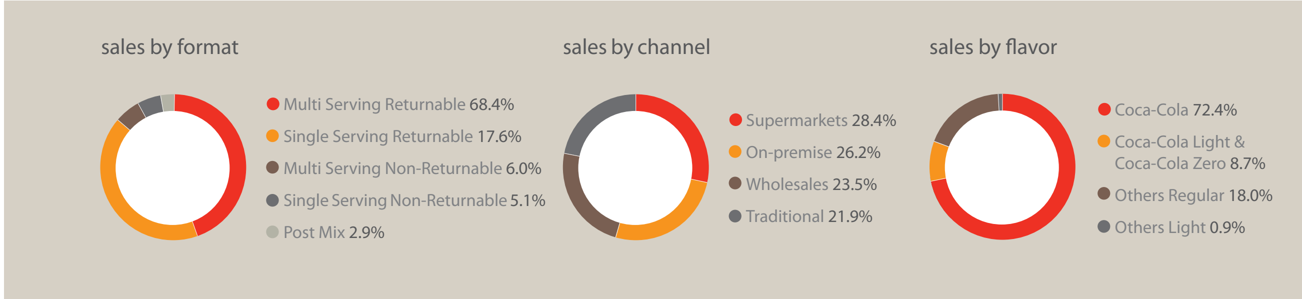
From our industrial perspective, we consolidated the implementation of our Krones line and began the expansion of our project for returnables by requesting a modern REF PET line which will begin operating towards the end of 2012.

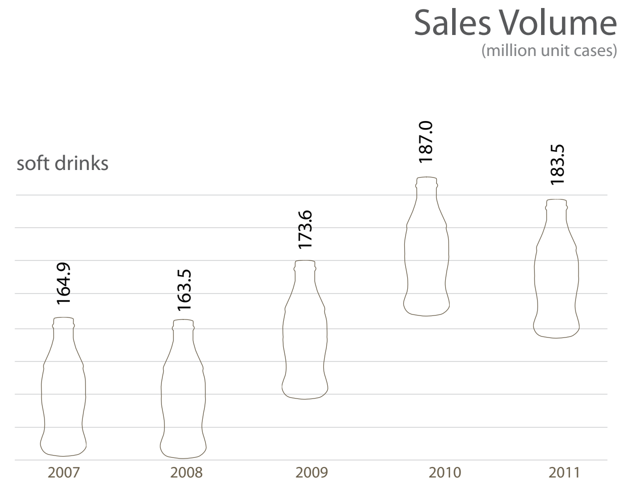
Additionally, we started the construction of an important electrical co-generation station (BOT), which in addition to energy will provide carbonic gas, steam, cold and nitrogen. This plant will begin operating towards the end of 2013 and will guarantee the supply of energy for our growth.

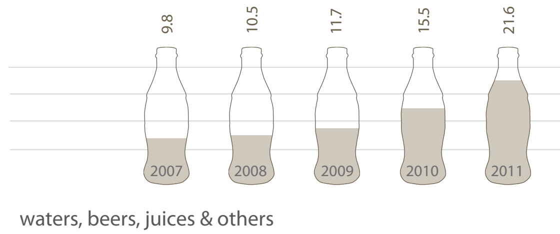
All this was possible given the strong commitment of our shareholders and skills of our employees, who working together are enabling Andina's 2020 vision: double our business towards the end of this decade

Alejandro Feuereisen*
General Manager, Brazil

*Alejandro Feuereisen has been appointed Chief Value Chain Officer and beginning January 1, 2012, Renato Barbosa is the General Manager of our operation in Brazil







We've engaged in important business with operators of emblematic points, as Orla Rio and Corcovado

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, Aquarius Fresh, Schweppes Tónica, Schweppes Tónica Light, Schweppes Citrus, Schweppes Citrus Light, Schweppes Club Soda, I9, Kapo, Kapo Chocolate, Burn, Gladiator, Leão Ice Tea, Powerade, Del Valle Frut and Mais, Del Valle Limão e Nada and Matte Leão.

Business Description*

Rio de Janeiro Refrescos 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 Tónica, Schweppes Tónica Light, Schweppes Citrus, Schweppes Citrus Light, Schweppes Club Soda, I9 (in 4 flavors), Kapo (in 6 flavors), Kapo Chocolate (flavored milk), Burn, Gladiator (in 2 flavors), Leão Ice Tea (regular and light in 2 flavors) Powerade (in 5 flavors), Del Valle Frut e Mais (in 8 flavors), Del Valle Limão e Nada and Matte Leão (in 12 flavors). Additionally it distributes the following beer brands: Kaiser, Heineken, Bavaria, Xingu, 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 new PET One Way line began operating in 2011 with a capacity of 36 thousand bottles/hour

Main Clients

Prezunic Comercial Ltda., Sociedade Comercial Champfer Ltda., Casas Guanabara Comestíveis Ltda., Carrefour Comércio e Indústria Ltda., Distribuidor de Bebidas Real Cola Ltda., Supermercados Mundial Ltda., Sendas Distribuidora S.A., Xantocarpa Participações Ltda., Franciscana Distribuidora Ltda., Zulemar Comércio de Bebidas Ltda., Super Mercado Zona Sul S.A. and Makro Atacadista S.A.

Suppliers of Main Raw Materials

Concentrate
Recofarma Industrias do Amazonas Ltda.[1]

Sweetner
Copersucar Ltda.

Water
Companhia Estadual de Água e Esgoto do Rio de Janeiro and Companhia Espírito Santense de Sanenamento

Carbon Dioxide
White Martins Gases S.A. and Linde Gases Ltda.

Packaging (bottles)
Brasalpla Brasil Indústria de Embalagens Ltda., Amcor Pet Packaging do Brasil Ltda. and Owens-Illinois do Brasil Industria e Comercio S.A.

Aluminum Cans and Caps
Rexam Beverage Can South and Latapack Ball Embalagens Ltda.

Caps
Aro S.A., Berry Plastics Corporation and Closure Systems International (Brazil) Sistemas de Vedação Ltda.

Electric energy
Light S.A. and Centrais Elétricas S.A.

Fruit Pulp
Tecnovin do Brasil Ltda. and Citrosuco (Fischer S.A.)

[1] Related to Shareholder

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, Cervejarías 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 13 lines. Average utilization capacity for the year 2011 was 75%. The distribution of products is carried out through third party distributing companies with an average fleet of 631 trucks. Rio de Janeiro Refrescos manages 600 vending machines.

75.0% average utilization capacity during 2011

*For an in-depth description of our business in Brazil, refer to our annual report on Form 20-F available on our website: www.embotelladoraandina.com

ARGENTINA

Mendoza, San Juan, San Luis, Córdoba, Entre Ríos & Santa Fe

Operating Income US$53.6 million

Total Sales Volume
138.3 million unit cases

Annual Consumption Per Capita
Soft drinks 288
Juices & Others 6
Waters 14
8 oz. bottles

EBITDA US$69.7 million

Clients 44 thousand

Extension 692 thousand km² Franchise Inhabitants 10.3 million

Soft drinks 129.6
Juices & Others 2.6
Water 6.1
million unit cases

Soft drinks Market Share 57.3%

Message from the General Manager, Argentina

2011 has been a year of great efforts and challenges. In an election year, in an economy with higher intervention levels and a more complex global context, we have been able to grow steadily throughout the year, reaching 138.3 million unit cases, a 10.5% over the previous year. This growth has been sustained at all levels, we have grown in terms of volumes (sparkling 9.4%, waters, juices & others 29.1%) as well as market share, allowing us to consolidate our position as the second largest bottler in Argentina in terms of volume. All this was achieved through an adequate pricing strategy, an aggressive business plan, and efficient cost management, allowing us to improve results by 10.7%, exceeding the expectations for the year.

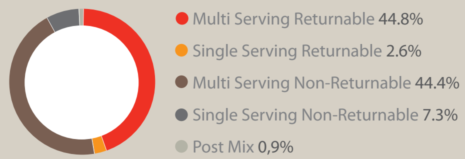
To achieve this growth and that of the coming years, we have prepared in terms of infrastructure and processes. We have expanded our production capacity by incorporating a new line for returnable formats, a line for the packaging of sensitive products, new injectors in the packaging division. We have also made progress in the implementation of more productive technology and processes, and the construction of a processing plant for liquid sugar, which will guarantee the achievement of better future results. All of these tasks have been developed striving on creating environmental and community friendly activities, which led EDASA to be recognized by the Government of the province of Cordoba with the 2011 Eco-Efficiency Award (Premio a la Ecoeficiencia) bestowed by the Ministry of Commerce, Industry and Labor.

Achievements during 2011 were thanks to a team of excellence that is constantly tested; achieving innovation and sustainable solutions that guarantee us to continue setting challenging goals and to work every day to meet them.

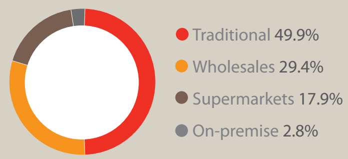
José Luis Solorzano
General Manager, Argentina

Coca-Cola ANDINA Argentina

sales by format



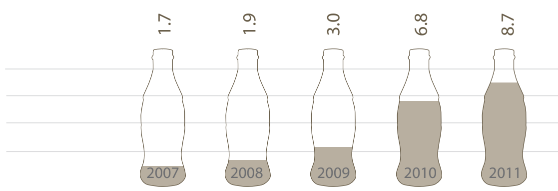
sales by channel



sales by flavor

Sales Volume
(million unit cases)

soft drinks



waters, juices & others

Achievements during 2011 were thanks to a team of excellence; achieving innovation and sustainable solutions that guarantee us to continue setting challenging goals

Coca-Cola, Coca-Cola Light, Coca-Cola Zero, Fanta Naranja, Fanta Naranja Light, Fanta Naranja Zero, Fanta Limón, Fanta Pomelo, Sprite, Sprite Zero, Quatro Pomelo, Quatro Liviana Pomelo, Schweppes Citrus, Schweppes Tónica, Schweppes Citrus Light, Crush Naranja, Crush Lima Limón, Soda Kin, Dasani and Aquarius.

Business Description*

SOFT DRINKS DIVISION

Embotelladora del Atlántico produces and commercializes the following products licensed by The Coca-Cola Company: Coca-Cola, Coca-Cola Light, Coca-Cola Zero, Fanta Naranja, Fanta Naranja Zero, Fanta Limón, Fanta Pomelo, Sprite, Sprite Zero, Quatro Liviana Pomelo, Schweppes Citrus, Schweppes Tónica, Schweppes Citrus Light, Crush Naranja, Crush Lima Limón, Soda Kin, Dasani con y sin gas (purified water) y Aquarius (flavored water). Additionally, it produces and commercializes 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 commercialize 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 commercialize 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 (only San Nicolás and Ramallo). The Agreement with The Coca-Cola Company will expire in February of 2012. However, Embotelladora del Atlántico since it is in good standing, requested the extension for another five years in April of 2011. The waters and juices bottling agreement is currently in the process of negotiation.

During the last 2 years EDASA has increased its market share by 5 points

Main Clients

Soft drinks Division:

Jumbo Retail Argentina S.A., Inc Sociedad Anónima, Mistura S.A., Manzur Fortunato Alberto, Vargas José Luis, J y H Distribuciones S.R.L., Pont Andrés Roberto, Wal-Mart Argentina S.R.L., Cruz del Eje Refrescos S.H., Leoni Miguel Angel, Cyre S.A. and Dist. Alimentos y Bebidas SRL.

Packaging Division:

Coca-Cola Femsa de Argentina, Coca-Cola Polar S.A., Reginald Lee S.A., Paraguay Refrescos S.A., Embotelladoras Arca, Monresa, Envases CMF S.A., Grupo Guerrero, Graham Packaging and Rio de Janeiro Refrescos Ltda.

Suppliers of Main Raw Materials

Concentrate: Servicios y Productos para Bebidas Refrescantes S.R.L.[1]

Sweetner: 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. and Compañía Inversora Industrial S.A.

Water: EDASA owns water wells and pays a fee to the Dirección Provincial de Aguas Sanitarias.

Carbon Dioxide: Praxair Argentina S.R.L. and Air Liquide Argentina S.A.

Packaging (bottles): Cattorini Hermanos S.A.C.I.F.,Cristalerías Toro S.A.C.I., Cristalerías de Chile S.A. and Cristal Pet.

Caps: Alusud Argentina S.R.L., Aro S.A. Exportação Importação Indústria Comercio, Metalgráfica Cearence S.A., Inyecal S.A and Cristal Pet.

Electric Energy: Central Térmica Alto Valle, Central Térmica Salta and Empresa Provincial de Energía de Córdoba (EPEC)

[1] Shareholder

Production and Distribution

Embotelladora del Atlántico operates one production facility for soft drinks with 8 lines located in Montecristo, Córdoba. Average utilization capacity during 2011 was 65.9%. Additionally it operates one production facility for juices and other products with one line. Average utilization capacity during 2011 was 59.9%. We also have a new plant for the production of mineral water and other products which is in the process of becoming operational. The distribution of products is carried out through third party distributing companies with a fleet of 20 contractors and 273 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 counties 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 Buenos Aires. The plant has 12 injection lines and 3 blowing lines.

The average utilization capacity during 2011 was 92.8% for injection lines and 70.6% for blowing lines.

Sales by format during 2011 were 589 million non-returnable PET bottles and 34 million PET returnable bottles.

65.9% average utilization capacity during 2011

*For an in-depth description of our business in Argentina, refer to our annual report on Form 20-F available on our website: www.embotelladoraandina.com


E. M. BENVINDI


Other Operations

CHILE

Vital Jugos S.A.
Vital Aguas S.A.
Envases CMF S.A.
Envases Central S.A.

Vital Jugos operates 1 production facility in Santiago, Vital Aguas operates 1 production facility in Chanqueahue, Envases Central operates 1 production facility in Santiago, and Envases CMF operates 1 production facility in Santiago

Vital Jugos produces nectars, fruit juices, fantasy drinks and isotonics under the brands: Andina Frut - Andina Néctar - Kapo - Nestea - Powerade - Aquarius - Hugo.

Vital Aguas prepares and bottles mineral water and purified water under the following brands: Vital - Dasani - Benedictino.

Envases Central mainly produces canned Coca-Cola soft drinks and also Dasani - Aquarius - Burn.

Envases CMF produces non returnable PET bottles - returnable PET bottles - preforms for non returnable PET bottles - caps - seals.

Sales by Format

Single Serving Non-Returnable 45.3%
Multi Serving Non-Returnable 43.5%
Multi Serving Returnable 5.8%
Single Serving Returnable 5.4%

Vital Jugos S.A.

In agreement with The Minute Maid Co. and Coca-Cola de Chile S.A., Vital Jugos S.A. produces nectars, fruit juices, fantasy drinks and isotonics 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.

In January of 2011, the juice production business is restructured allowing the incorporation of the other Coca-Cola bottlers in Chile to the ownership of Vital S.A. which changes its corporate name to Vital Jugos S.A.

The ownership of this company is as follows: Andina holds a 57% stake, Embonor S.A. holds a 28% stake and Embotelladora Coca-Cola Polar holds a 15% stake.

Juice Bottler Agreement

In 2005, Vital Jugos S.A. and the The Coca-Cola Company ("TCCC") entered into a Juice Bottler Agreement by which TCCC authorized Vital Jugos 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 Jugos S.A. Additionally, Andina, Vital Jugos, 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 Jugos operates one production facility located in Santiago with 7 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 2011 was 73.0%. In Chile, Vital Jugos products are distributed exclusively by the Coca-Cola bottlers in the country. The distribution agreements stipulate the distribution of products in each of the bottlers' respective franchise territories.

Main Suppliers

Concentrate: Coca-Cola de Chile S.A.[1]
Sweetner: Industria Azucarera Nacional S.A
Carbon Dioxide: Aga Chile S.A.
Fruit Pulp: Aconcagua Foods S.A., Tresmontes Lucchetti Agroindustrial S.A., Fenix Fruit Concentrates S.A., Arcor S.A.C.I., Boland Pulp, Sucocitrico Cutrale S.A., Flora Floresta do Araguaia C.A. Ltda., Empresas Carozzi S.A., Predilecta Alimentos Ltda., Citrovita Agroindustrial Ltda., and Louis Dreyfus Commodities.
Packaging, Bottles and Cans: Tetra Pak de Chile Ltda., Envases Del Pacífico S.A.[2], Aluflex S.A., Envases CMF S.A.[3], Cristalerías de Chile S.A., Cristalerías Toro S.A.C.I., and Sánchez y Cía. Ltda.
Caps: Alusud Embalajes Chile Ltda., Alucap S.R.L. and Portola Packaging Inc.

Market Share

It is estimated that during 2011 the company's products had an average volume market share of 35.9% in the national market for juices and nectars (source: A.C. Nielsen.)

[1] Shareholder
[2] Shareholder related
[3] Equity Investee

Sales by Client
Andina 53.9%
Embonor 30.3%
Polar 15.8%

Sales by Product
Andina 72.9%
Kapo 19.9%
Powerade 4.3%
Nestea & others 2.9%

Sales by Format

Multi Serving Non-Returnable 65.5%
Single Serving Non-Returnable 33.3%
Single Serving Returnable 1.2%

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 2011, average utilization capacity was a 67.0%. 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.

Main Suppliers

Concentrate: Coca-Cola de Chile S.A.[1]
Sweetner: Industria Azucarera Nacional S.A
Carbon Dioxide: Aga Chile S.A.
Fruit Pulp: Aconcagua Foods S.A., Tresmontes Lucchetti Agroindustrial S.A., Fenix Fruit Concentrates S.A., Arcor S.A.C.I., Boland Pulp, Sucocitrico Cutrale S.A., Flora Floresta do Araguaia C.A. Ltda., Empresas Carozzi S.A., Predilecta Alimentos Ltda., Citrovita Agroindustrial Ltda., and Louis Dreyfus Commodities.
Packaging: Tetra Pak de Chile Ltda., Envases del Pacífico S.A.[2], Aluflex S.A., Envases CMF S.A.[3], Cristalerías de Chile S.A., Cristalerías Toro S.A.C.I. and Sánchez y Cía. Ltda.
Caps: Alusud Embalajes Chile Ltda., Alucap S.R.L. and Portola Packaging Inc.

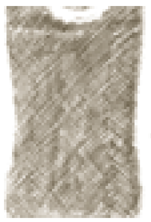
Market Share

It is estimated that during 2011 the company's products had an average volume market share of 39.5% in the national market for waters (source: A.C. Nielsen).

[1] Shareholder
[2] Shareholder related
[3] Equity Investee

Sales by Client
Andina 49.7%
Embonor 27.4%
Polar 22.9%

Sales by Product
Agua Mineral Vital 77.4%
Benedictino 20.2%
Dasani 2.4%



Operates 1 production plant with 1 line for cans and 1 line for PET 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) and the energy drink Burn. The canning of these products is in 350 ml, 310 ml and 250 ml cans, and the bottling is in non-returnable PET bottles of 250 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 2011, the canning and bottling lines operated at an average of 55.6% and 51.7%, 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.

The plant has 12 preform injection lines, 11 blowing lines, 3 injector-blowing lines, and 14 lines for conventional injection and extruding blowing

Envases CMF S.A.

Embotelladora Andina and Cristalerías de Chile have a joint venture partnership for the PET packaging business through Envases CMF, which produces 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 Santiago. The plant has twelve preform injection lines, eleven blowing lines, three injector-blowing lines, and fourteen lines for conventional injection and extruding blowing. During 2011, average utilization capacity of the production lines was 93.2%, 90.0%, 83.4% and 89.8%, respectively. Sales by format during 2011 were 302 million non returnable PET bottles, 30 million returnable PET bottles and 300 million preforms for non returnable bottles.

Main Suppliers

Resin: DAK Americas Argentina S.A., Nan Ya Plastics Corp., KP Chemical Corp., Far Eastern Textile Ltd., Indorama Ventures Polymers Mexico, IDC America LLC, DAK Americas Mexico S.A., Petroquim S.A. and Distribuidora Pordland S.A.
Masterbatch: Clariant Colorquímica Chile S.A. and Marzullo S.A.
Ink: Nazdar Shawnee
Labels: Empack Flexibles S.A. and Multi-Color Corp.
Packaging: Impresos y Cartonajes S.A., 3 Volcanes Ltda., Plastiberg Ltda., Corrupac S.A., Garibaldi S.A. and Empack Ltda.
Electric Energy: Chilectra S.A.

Main Clients

Coca-Cola bottlers in Chile, Soprole, S.A., Watts S.A., Córpora Tres Montes S.A., The T-Company S.A., Viña Concha y Toro S.A., Viña Santa Rita S.A., Gasco GLP S.A., Arca Ecuador S.A., Alpla C.R. S.A., Graham Packaging Do Brasil Ind E Co., Sociedad de Productos Plásticos Duraplas and Fábrica de Envases Plásticos.

ADDITIONAL INFORMATION

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

Capital Expenditures

NOMINAL MILLION DOLLARS

	2011	2010
Chile Embotelladora Andina S.A.	150.2	91.5
Brazil Rio de Janeiro Refrescos Ltda.	59.8	69.8
Argentina Embotelladora del Atlántico S.A.	52.3	19.3
Total	262.3	180.6

During 2011, the Company used external financing only to cover temporary cash deficits. As of December 31, 2011, the Company presented a negative Net Cash Position in the amount of US$82.8 million. Accumulated excess cash is invested in short term time deposits with top of the line banks and money markets.

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. We maintain annual insurance agreements to cover risks inherent to our line of business. However, we identify some risks that could have an impact over the Company's financial condition and operating results.

Shareholders have given the **Board of Directors** the faculty to define the financing and investment policy

Financial Activities

During 2011, 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, 2011, the Company presented a negative Net Cash Position in the amount of US$82.8 million.

Accumulated excess cash is invested in short term time deposits with top of the line banks and money markets. The Company holds 27.9% of its financial assets in UF, 8.7% in Chilean pesos, 36.2% in Brazilian reais, 15.8% in Argentine pesos and 11.3% in U.S. dollars. Total financial assets amounted to US$ 90.4 million. Financial debt level as of December 31, 2011 amounted to US$ 173.3 million, 84.0% of which is UF denominated, 2.5% in Chilean pesos, 0.7% is in Brazilian reais and 12.9% in Argentine pesos.

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 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 December 22, 2011, 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) Acquisition, encumbrance and disposal of real estate; (ii) pledge all type of movable goods; (iii) incorporate any kind of company and sell the securities, rights or options of said companies; (iv) initiate any kind of voluntary bankruptcy procedure; (v) enter into out forward agreements and derivative contracts, with the exception of those related to hedging sugar prices, which will be governed by the Company's internal policy; (vi) carry out all types of securities' operations, as well as issuance and placement of bonds or other debt securities; (vii) acquire loans in amounts exceeding US$30 million; and (viii) grant any kind of guarantees and agree to pledges in order to safeguard liabilities of the Company, its subsidiaries or third parties.

Total financial assets amounted to US$90.4 million

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.

Annual insurance agreements with **top of the line companies**

The economic conditions of the countries where we operate, impact our **growth** and **profitability** is impacted by

Risk Factors*

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 98% 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.

• 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.

• The economic conditions of the countries where we operate, impact our growth and profitability: 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.

*For additional information refer to The Company-Risk Factors on our website: www.embotelladoraandina.com

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 2011 include all observations made by every shareholder that expressed his/her opinion during said meeting.

Properties and Facilities

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

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

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

CHILE

	Embotelladora Andina Chile S.A.*	Vital Jugos S.A.*	Vital Aguas S.A.*	Transportes Andina Refrescos Ltda.	Servicios Multivending Ltda.
Address	Av. Miraflores 8953, Santiago	Av. Américo Vespucio 1651, Santiago	Chanqueahue s/n, Rengo	Av. Carlos Valdovinos 462, Santiago	Av. Miraflores 8953, Santiago
Chilean Tax Id. N°	76.070.406-7	93.899.000-K	76.389.720-6	78.861.790-9	78.536.950-5
Telephone	(56-2) 338 0520	(56-2) 620 4103	(56-2) 620 4103	(56-2) 550 9445	(56-2) 677 2700
Shareholders' Equity (as 12/31/11)	ThCh$ 14,069,067	ThCh$ 16,468,847	ThCh$ 4,331,154	ThCh$ 500,000	ThCh$ 500,000
% Subsidiary Investment Represents of Parent Company Asset	1.00	2.75	0.39	0.14	0.22
Corporate Purpose	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.
Board of Directors / Management Council	Jaime García Osvaldo Garay Jaime Cohen[1]	Jaime García Michael Cooper Cristián Hohlberg Cristián Mandiola	Michael Cooper Cristián Hohlberg Cristián Mandiola Abel Bouchon[1]	Pablo Jabat[1] José Tupper[1] Vicente Domínguez[1] Abel Bouchon[1]	Andrés Wainer[1] José Luis Solorzano Vicente Domínguez[1]
General Manager	Abel Bouchon[1]	César Vargas	César Vargas	-	-

Subsidiaries and Equity Investees

	Envases CMF S.A.*	Envases Central S.A.*	Andina Bottling Investments S.A.*	Andina Bottling Investments Dos S.A.*	Andina Inversiones Societarias S.A.*
Address	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
Chilean Tax Id. N°	86.881.400-4	96.705.990-0	96.842.970-1	96.972.760-9	96.836.750-1
Telephone	(56-2) 544 8222	(56-2) 599 9300	(56-2) 338 0520	(56-2) 338 0520	(56-2) 338 0520
Shareholders' Equity (as 12/31/11)	ThCh$ 32,981,986	ThCh$ 7,562,354	ThCh$ 240,010,693	ThCh$ 8,714,160	ThCh$ 34,468,893
% Subsidiary Investment Represents of Parent Company Asset	2.35	0.60	34.04	22.91	4.42
Corporate Purpose	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.
Board of Directors / Management Council	Pedro Jullian Michael Cooper Joaquín Barros Jaime Claro Osvaldo Garay Germán Garib[1]	Renato Ramírez Gonzalo Iglesias José Jaramillo Cristián Hohlberg Cristián Mandiola Abel Bouchon[1]	Jaime García Michael Cooper Osvaldo Garay Jaime Cohen[1]	Jaime García Michael Cooper Jaime Cohen[1]	Jaime García Michael Cooper Osvaldo Garay Jaime Cohen[1]
General Manager	Christian Larraín	Patricio Delpiano	-	-	-

[1]Embotelladora Andina officer
*Private corporation

Subsidiaries and Equity Investees

BRAZIL

	Rio de Janeiro Refrescos Ltda.	Kaik Participações Ltda.	Sistema de Alimentos e Bebidas do Brasil Ltda.	Holfab2 Participações Societárias Ltda.	Leão Junior S.A.
Address	Rua André Rocha 2299, Taquara, Jacarepaguá, Rio de Janeiro	Av. Maria Coelho de Aguiar 215, bloco A, 1° Andar, São Paulo	Rodivia BR 101, Km 139, Fazenda s/n (parte), Canivete, Spirito Santo	Rua Lauro Muller, 116 - conj. 2302 (parte), Botafogo, Rio de Janeiro	Av. Getúlio Vargas, 253, Bairro Rebouças, Curitiba, Paraná
Brazilian Tax Id N°	00.074.569/0001-00	40.441.792/0001-54	01.895.188/0001-46	11.731.861/0001-66	76.490.184/0001-87
Telephone	(55-21) 2429 1846	(55-11) 2102 5563	(55-11) 3809 5020	(55-21) 2541.3387	(55-11) 3809 5020
Shareholders' Equity (as 12/31/11)	ThCh$ 37,421,431	ThCh$ 277	ThCh$ 119,918,863	ThCh$ 40,424,814	ThCh$ 30,886,898
% Subsidiary Investment Represents of Parent Company Asset	22.16	0.17	1.30	1.69	0.84
Corporate Purpose	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.	Manufacture, bottle and commercialize beverages and food in general, and beverage concentrate. Invest in other companies.
Board of Directors / Management Council	Fernando Fragata[2] Adriane Nudilemon Rodrigo Klee[2] David Parkes[2]	Luiz Eduardo Tarquinio Carlos Eduardo Correa Ricardo Vontobel Francisco Miguel Alarcon Ruy Campos Vieira Alejandro Feuereisen[1]	Miguel Ángel Peirano[1] Ricardo Vontobel Daniel Sledge Herbert Ricardo Botelho Bicalho Renato Barbosa[2] Luis Delfim de Oliveira Eduardo Enrique Baráibar Xiemar Zarazúa López Sandor Leonard de Souza Hagen	Fernando Fragata Eduardo Lacerda Fernandes Ricardo Vontobel Daniel Sledge Herbert	Miguel Ángel Peirano[1] Ricardo Vontobel Daniel Sledge Herbert Ricardo Botelho Bicalho Renato Barbosa[2] Luis Delfim de Oliveira Eduardo Enrique Baráibar Xiemar Zarazúa López Sandor Leonard de Souza Hagen
General Manager	Renato Barbosa*	-	Sandor Leonard de Souza Hagen Cleber Rocha Vieira	-	Sandor Leonard de Souza Hagen Cleber Rocha Vieira

[1]Embotelladora Andina officer

[2]Rio de Janeiro Refrescos officer

*Renato Barbosa joins the Company in Brazil effective January 1, 2012, replacing Alejandro Feuereisen who becomes a part of the Corporate Office

ARGENTINA

	Embotelladora del Atlántico S.A.	Andina Empaques Argentina S.A.*
Address	Ruta Nacional 19, Km 3,7, Córdoba	Austria 950, 1648 Tigre, Buenos Aires
Argentine Tax Id N°	30-52913594/3	30-71213488/3
Telephone	(54-351) 496 8888	(54-11) 4715 8000
Shareholders' Equity (as 12/31/11)	ThCh$ 6,875,910	-
% Subsidiary Investment Represents of Parent Company Asset	5.73	-
Corporate Purpose	Manufacture, bottle and commercialize non-alcoholic beverages.	Design, produce and commercialize plastic products, mainly packaging
Board of Directors / Management Council	Jaime García Gonzalo Soto[2] Alejandro Feuereisen[1]	Jaime Cohen[1] Gonzalo Soto[2] Alejandro Feuereisen[1]
General Manager	José Luis Solorzano	Daniel Caridi

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

BRITISH VIRGIN ISLANDS

	Abisa Corp S.A.
Address	Vanterpool Plaza, 2°Piso, Wickhams Cay 1, Road Town Tortola
Registration N°	512410 / RUT 59.144.140-K
Telephone	(1-284) 494 5959
Shareholders' Equity (as 12/31/11)	ThCh$ 12,594,313
% Subsidiary Investment Represents of Parent Company Asset	26.86
Corporate Purpose	Invest in financial instruments.
Board of Directors / Management Council	Jaime García Michael Cooper Osvaldo Garay Jaime Cohen[1]
General Manager	-

[1] Embotelladora Andina officer

[2] External counsel


24
HOUR!

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

Controlling Group

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 3.7617798984% 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.

3. Inversiones Nueva Sofía S.A. RUT 76.366.690-5 previously known as Inversiones Nueva Sofía Limitada,, 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 0.785434954% of Series A 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 3.

4. Inversiones Caburga Sociedad Anónima, RUT 96.854.480-2, direct owner of 0.785434954% of Series A 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.

5.Inversiones SH Seis Ltda., RUT 76.273.760-4, direct owner of 0.78596108% of Series A 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.

6. Inversiones HB S.A., RUT 96.842.220-0, maintains 0.412937936% ownsership of owner of Series A shares of Andina in the custody of stock borkers. 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.

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.

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 S.A, RUT 76.366.690-5, direct owner of 6.75508164% of Series B shares of Andina. The controlling structure of this company is described in paragraph 3 of the letter A above.

6. Inversiones SH Seis Ltda., RUT 76.273.760-4, direct owner of 9.960839383% of Series B shares of Andina. The controlling structure of this company is described in paragraph 5 of the letter A above.

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. The controlling structure of this company is described in paragraph 6 of the letter A above.

9. Inversiones Caburga Sociedad Anónima, RUT 96.854.480-2, direct owner of 8.418011713% of Series B shares of Andina. The controlling structure of this company is described in paragraph 4 of the letter A above.

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 55.38407914% 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 26 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 10.6679% of direct ownership interest as of December 31, 2011.

Share Trading Information

During 2010 main shareholders, shareholders related to directors, shareholders related to Controlling Shareholders and company officers did not report transactions of Series A or Series B shares. During 2011 no transactions were reported for Series B shares and the following purchase transactions were reported for the Series A all of them for the purpose of financial investments:

2011 Series A

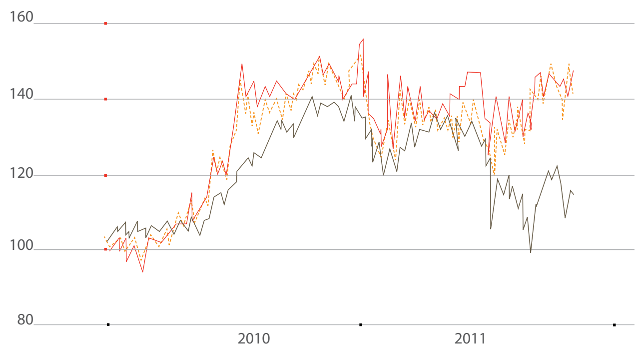
	Relationship	Shares Purchased	Price (Ch$)	Total Transaction (ThCh$)
Inversiones Caburga S.A.	Related to Director / Member of the Controlling Group	1,569,731	$ 2,000	3,139,462
		1,416,000	$ 1,767	2,502,072
Inversiones Nueva Sofía S.A.	Related to Director / Member of the Controlling Group	1,569,731	$ 2,000	3,139,462
		1,416,000	$ 1,767	2,502,072
Inversiones SH Seis Ltda.	Related to Director / Member of the Controlling Group	1,569,731	$ 2,000	3,139,462
		1,418,000	$ 1,767	2,505,606
Inversiones HB S.A.*	Related to Director / Member of the Controlling Group	1,569,731	$ 2,000	3,139,462

*As of December 31, 2011, these 1,569,731 shares remained in the custody of a stock broker

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 Exhange for Andina's shares is AndinaA and AndinaB. Andina's stock in Chile is handled by Sercor www.sercor.cl



Andina A | Andina B | IPSA

This chart reflects the daily behavior for the two-year period ending December 31, 2011 of Andina's series A and series B shares compared with the Chilean selective price index, IPSA (Base value = 100)

Andina-A	Shares Traded (million)	Total Traded[1] (million Ch$)	Average Price (Ch$)
2009			
1st Quarter	3.84	3,942	1,026
2nd Quarter	48.59	53,251	1,108
3rd Quarter	2.72	3,331	1,218
4th Quarter	7.18	8,717	1,228
2010			
1st Quarter	10.35	13,749	1,314
2nd Quarter	11.84	17,169	1,457
3rd Quarter	10.56	18,711	1,809
4th Quarter	19.91	36,811	1,885
2011			
1st Quarter	14.17	25,958	1,822
2nd Quarter	9.05	16,569	1,809
3rd Quarter	9.75	17,080	1,784
4th Quarter	2.58	4,781	1,872

Andina-B	Shares Traded (million)	Total Traded[1] (million Ch$)	Average Price (Ch$)
2009			
1st Quarter	13.69	17,086	1,239
2nd Quarter	43.87	58,899	1,341
3rd Quarter	36.27	52,732	1,446
4th Quarter	25.13	37,877	1,495
2010			
1st Quarter	19.53	31,607	1,610
2nd Quarter	22.83	40,121	1,765
3rd Quarter	38.31	82,558	2,140
4th Quarter	38.43	87,849	2,301
2011			
1st Quarter	20.99	45,608	2,170
2nd Quarter	18.53	39,756	2,146
3rd Quarter	17.10	35,173	2,070
4th Quarter	14,77	33,376	2,255

[1]Total Traded calculated as the Average Price times volume of Shares Traded
Source: Bloomberg

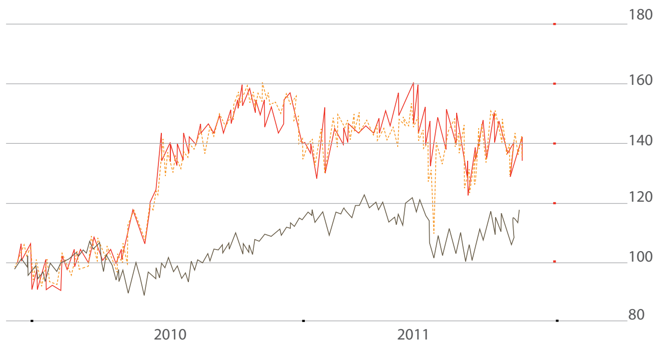
Stock Market Trading Information

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.

AKO/A | AKO/B | DowJones

This chart reflects the daily behavior for the two-year period ending December 31, 2011 of Andina's series A and series B ADRs compared with the Dow Jones Industrial index. (Base value = 100)



AKO A	ADRs Traded (million)	Total Traded[1] (MUS$)	Average Price (US$)
2009			
1st Quarter	0.35	3.67	10.46
2nd Quarter	0.18	2.25	12.17
3rd Quarter	0.26	3.69	13.82
4th Quarter	0.51	7.49	14.72
2010			
1st Quarter	0.67	10.56	15.60
2nd Quarter	0.49	8.14	16.73
3rd Quarter	0.47	10.40	21.39
4th Quarter	0.43	10.20	23.55
2011			
1st Quarter	0.30	6.70	22.51
2nd Quarter	0.20	4.61	23.15
3rd Quarter	0.20	4.48	22.75
4th Quarter	0.22	4.71	21.69

AKO B	ADRs Traded (million)	Total Traded[1] (MUS$)	Average Price (US$)
2009			
1st Quarter	0.64	8.17	12.67
2nd Quarter	1.18	16.75	14.60
3rd Quarter	3.04	49.84	16.39
4th Quarter	1.50	26.41	17.83
2010			
1st Quarter	1.97	37.76	19.08
2nd Quarter	1.02	20.75	20.30
3rd Quarter	2.48	64.24	25.52
4th Quarter	1.67	48.24	29.01
2011			
1st Quarter	1.76	48.76	27.43
2nd Quarter	1.16	32.24	27.74
3rd Quarter	1.15	29.92	26.52
4th Quarter	1.01	27.07	26.61

[1]Total traded calculated as the Average Price times volume of ADRs Traded
Source: Bloomberg

Compensation Board of Directors

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

Compensation Principal Officers

The Company does not have any incentive plans other than salaries. The compensation system is a mixed one, composed by a base salary and participation, 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 established goals. Amounts are different depending on each officer, position and/or responsibility, but it is applicable to all of the Company. For the year ended December 31, 2011, compensation paid out to the principal officers of Embotelladora Andina S.A. amounted to Ch$5,663 million (Ch$5,180 million in 2010). Of the Ch$5,663 million paid to the main officers of Embotelladora Andina S.A., the variable portion was 42% and for the period ended December 31, 2010 of the Ch$5,180 million paid to the main officers of Embotelladora Andina S.A., the variable portion was 36%. Severance payments to former managers or former principal officers for the period ended December 31, 2011 amounted to Ch$2,290 million (Ch$1,644 million in 2010).

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 (Junior)	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 Alliende 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
Total Gross Amounts	623,623	331,030	30,771	30,771	1,016,197

Statement of Responsibility

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 the **2011 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)

JUAN CLARO Chairman of the Board Rut: 5.663.828-8	ERNESTO BERTELSEN Alternate Director Rut: 5.108.564-7
SALVADOR SAID Vice-Chairman of the Board Rut: 6.379.626-3	JOSÉ DOMINGO ELUCHANS Alternate Director Rut: 6.474.632-4
JOSÉ ANTONIO GARCÉS Director Rut: 8.745.864-4	PATRICIO PARODI Alternate Director Rut: 8.661.203-8
ARTURO MAJLIS Director Rut: 6.998.727-3	CRISTIÁN ALLIENDE Alternate Director Rut: 6.379.873-8
GONZALO SAID Director Rut: 6.555.478-K	JOSÉ MARÍA EYZAGUIRRE Alternate Director Rut: 7.011.679-0
BRIAN J. SMITH Director Foreign Citizen	JORGE HURTADO Alternate Director Rut: 5.200.545-0
HERIBERTO URZÚA Director Rut: 6.666.825-8	GONZALO PAROT Alternate Director Rut: 6.703.799-5
	MIGUEL ÁNGEL PEIRANO Chief Executive Officer Rut: 23.836.584-4

EMBOTELLADORA ANDINA S.A. AND SUBSIDIARIES

Consolidated Statements of Financial Position

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

At December 31, 2011 and 2010

(Translation of Report originally issued in Spanish – See Note 2.3)

ASSETS	Note	12.31.2011 ThCh$	12.31.2010 ThCh$
Current Assets			
Cash and cash equivalents	4	**31,297,922**	48,263,080
Other financial assets	5	**15,661,183**	48,914,734
Other non-financial assets	6.1	**14,760,858**	6,935,817
Trade and other accounts receivable, net	7	**107,443,039**	97,254,597
Accounts receivable from related companies		**6,418,993**	248,273
Inventory	8	**57,486,658**	53,715,509
Current tax assets / Tax accounts receivable	9.1	**2,463,566**	2,288,725
Total Current Assets		235,532,219	257,620,735
Non-Current Assets			
Other non-financial, non-current assets	6.2	**30,193,809**	21,507,754
Trade and other accounts receivable, net	7	**7,175,660**	7,804,481
Accounts receivable from related companies, net	11.1	**11,187**	8,847
Investments in equity investees accounted for using the equity method	13.1	**60,290,966**	50,754,168
Intangible assets, net	14.1	**1,138,857**	1,365,595
Goodwill	14.2	**57,552,178**	57,770,335
Property, plant and equipment, net	10.1	**350,064,467**	291,482,180
Deferred tax assets	9.4	**8,060,227**	6,891,609
Total Non-Current Assets		514,487,351	437,584,969
Total Assets		750,019,570	695,205,704

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

At December 31, 2011 and 2010

(Translation of Report originally issued in Spanish – See Note 2.3)

LIABILITIES AND NET EQUITY	Note	12.31.2011 ThCh$	12.31.2010 ThCh$
Current Liabilities			
Other financial liabilities	15	**12,280,310**	12,913,618
Trade and other accounts payable	16	**127,940,772**	105,282,335
Accounts payable to related companies	11.2	**11,359,038**	14,323,473
Provisions	17	**87,966**	60,748
Income tax payable	9.2	**3,821,247**	4,009,389
Other non-financial liabilities	18	**41,154,571**	38,964,853
Total Current Liabilities		196,643,904	175,554,416
Non-Current Liabilities			
Other non-current financial liabilities	15	**74,641,403**	70,449,459
Provisions	17	**7,882,869**	4,267,619
Deferred tax liabilities	9.4	**43,305,717**	42,492,348
Post-employment benefit liabilities	12.2	**5,130,015**	7,256,590
Other non-current liabilities	18	**436,742**	320,676
Total Non-Current Liabilities		131,396,746	124,786,692
Equity	19		
Issued capital		**230,892,178**	230,892,178
Retained earnings		**208,102,068**	180,110,975
Accumulated other comprehensive income and capital reserves		**(17,024,341)**	(16,146,887)
Equity Attributable to Equity Holders of the Parent		421,969,905	394,856,266
Non-controlling interests		**9,015**	8,330
Total Equity		421,978,920	394,864,596
Total Liabilities and Equity		750,019,570	695,205,704

CONSOLIDATED INCOME STATEMENTS BY FUNCTION

For the years ended at December 31, 2011 and 2010

INCOMES STATEMENTS	Note	01.01.2011 12.31.2011 ThCh$	01.01.2010 12.31.2010 ThCh$
Net sales		982,864,417	888,713,882
Cost of sales		(578,581,184)	(506,882,144)
Gross Profit		404,283,233	381,831,738
Other operating income	23	2,909,445	1,117,879
Distribution expenses		(98,807,574)	(85,717,173)
Administrative and sales expenses		(163,051,423)	(146,880,980)
Other expenses by function	24	(11,915,003)	(7,775,824)
Other income (expenses)	26	13,069	(1,206,749)
Finance income	25	3,182,434	3,376,138
Finance costs	25	(7,235,176)	(7,401,831)
Share in profit (loss) of equity investees accounted for using the equity method	13.2	2,026,158	2,314,935
Foreign exchange difference	27	1,484,580	499,940
Profit from units of adjustment		(1,177,658)	(217,769)
Net Income before Taxes		131,712,085	139,940,304
Income tax expense	9.3	(34,684,661)	(36,340,240)
Net Income for the Fiscal Period		97,027,424	103,600,064

NET INCOME ATTRIBUTABLE

Net income attributable to equity holders of the parent	97,024,405	103,597,372
Net income attributable to non-controlling interests	3,019	2,692
Net income for the fiscal year	97,027,424	103,600,064

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

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the years ended at December 31, 2011 and 2010

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME	Note	01.01.2011 12.31.2011 ThCh$	01.01.2010 12.31.2010 ThCh$
Net income for the fiscal period		97,027,424	103,600,064
Foreign exchange translation adjustment, before taxes	19.3.2	601,269	(11,883,798)
Income tax effect related to losses from foreign exchange rate translation differences included within other comprehensive income		(1,481,057)	585,028
Comprehensive Income for the Fiscal Year		96,147,636	92,301,294

COMPREHENSIVE INCOME ATTRIBUTABLE TO

Controlling shareholders	96,146,951	92,302,105
Non-controlling interests	685	(811)
Total Comprehensive Income	96,147,636	92,301,294

CONSOLIDATED STATEMENTS OF CASH FLOWS DIRECT

For the years ended at December 31, 2011 and 2010

(Translation of Report originally issued in Spanish – See Note 2.3)

CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES	Note	01.01.2011 12.31.2011 ThCh$	01.01.2010 12.31.2010 ThCh$
Types of Cash Flows Provided by Operating Activities			
Receipts from customers		1,383,987,572	1,197,298,500
Charges for premiums, services, annual fees and other policy benefits		162,979	1,490,134
Types of Cash Flows Used In Operating Activities			
Supplier payments		(960,961,322)	(819,753,947)
Payroll		(88,025,877)	(81,670,428)
Other payments for operating activities (value-added taxes on purchases and sales and others)		(159,030,469)	(134,723,290)
Dividends classified as from operations		2,061,957	1,379,837
Interest payments classified as from operations		(6,472,220)	(5,876,763)
Interest received classified as from operations		2,139,339	2,406,821
Income tax payments		(31,682,397)	(32,304,059)
Cash flows used in other operating activities		(3,229,066)	(2,399,096)
Net Cash Flows Provided by Operating Activities		138,950,496	125,847,709
CASH FLOWS PROVIDED BY (USED IN) INVESTING ACTIVITIES			
Cash flows from the loss of control in subsidiaries and other companies (sale of Vital S.A., deducted from initial cash flow)		5,355,930	-
Cash flows used to obtain control of subsidiaries or other businesses (capital contribution in Vital Jugos S.A. before proportional sale)		(1,278,000)	-
Cash flows used to purchase non-controlling interest (capital contribution to the associate Vital Jugos S.A. after proportional sale)		(3,249,000)	-
Cash used to purchase non-controlling interests (Holdfab)		-	(15,229,291)
Proceeds from sale of property, plant and equipment		2,187,364	590,074
Purchase of property, plant and equipment		(126,930,944)	(95,461,555)
Other long-term assets (recovery of time deposits that were over 90 days)		75,422,008	72,746,562
Purchase of long-term other assets (investment in time deposits of over 90 days).		(39,484,304)	(47,156,718)
Payments resulting from forward, term, option and financial exchange agreements		(451,825)	(2,368,356)
Charges for forward, term, option and swap agreements		1,180,132	5,336,646
Cash flows (used in) provided by other investing activities		(2,372,559)	1,038,460
Net Cash Flows Used in Investing Activities		(89,621,198)	(80,504,178)
CASH FLOWS PROVIDED BY (USED IN) FINANCING ACTIVITIES			
Short term loans obtained		118,456,093	30,023,277
Total Proceeds From Loans		118,456,093	30,023,277
Loan payments		(111,722,342)	(23,328,736)
Dividend payments by the reporting entity		(70,905,803)	(66,524,747)
Cash flows used in other financing activities		(2,987,333)	(2,717,533)
Net Cash Flows Used in Financing Activities		(67,159,385)	(62,547,739)
Decrease in Cash and Cash Equivalents, before Effects of Variations in Foreign Exchange Rates		(17,830,087)	(17,204,208)
Effects of variations in foreign exchange rates on cash and cash equivalents		864,929	2,676,067
Net Decrease in Cash and Cash Equivalents		(16,965,158)	(14,528,141)
Cash and Cash Equivalents – Beginning of Year	4	48,263,080	62,791,221
Cash and Cash Equivalents - End of Year	4	31,297,922	48,263,080

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

At December 31, 2011 and 2010

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

		Other reserves						
	Issued capital ThCh$	Translation reserves ThCh$	Other reserves (various) ThCh$	Total other reserves ThCh$	Retained earnings ThCh$	Controlling Equity ThCh$	Non-Controlling interests ThCh$	Total Equity ThCh$
Initial Balance at 01.01.2010	230,892,178	(10,287,158)	5,435,538	(4,851,620)	147,508,036	373,548,594	9,141	373,557,735
Changes in Equity								
Comprehensive Income								
Net income	-	-	-	-	103,597,372	103,597,372	2,692	103,600,064
Other comprehensive income	-	(11,295,267)	-	(11,295,267)	-	(11,295,267)	(3,503)	(11,298,770)
Comprehensive Income	-	(11,295,267)		(11,295,267)	103,597,372	92,302,105	(811)	92,301,294
Dividends	-	-	-	-	(70,994,433)	(70,994,433)	-	(70,994,433)
Total Changes in Equity		(11,295,267)	-	(11,295,267)	32,602,939	21,307,672	(811)	21,306,861
Ending Balance at 12.31.2010	230,892,178	(21,582,425)	5,435,538	(16,146,887)	180,110,975	394,854,266	8,330	394,864,596

NOTE 1 - CORPORATE INFORMATION

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

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

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

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

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

2.1 Periods covered

These Consolidated Financial Statements encompass the following periods:

Consolidated Statements of Financial Position: At December 31, 2011 and December 31, 2010.

Consolidated Income Statements by Function: The years from January 1 to December 31, 2011 and 2010.

Consolidated Statements of Comprehensive Income: The years from January 1 to December 31, 2011 and 2010.

Consolidated Statements of Cash Flows Direct: The years from January 1 to December 31, 2011 and 2010.

Consolidated Statements of Changes in Equity: Balances and activity between January 1 and December 31, 2011 and 2010.

2.2 Basis of preparation

The Company's Consolidated Financial Statements for the years ended December 31, 2011 and 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, 2011 and 2010 along with consolidated income statement by function, consolidated statements of comprehensive income, consolidated statements of cash flows, and consolidated statement of changes in equity for the years ended December 31, 2011 and 2010, which were approved by the Board of Directors during session held on January 31, 2012.

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.

Certain reclassifications were made in the 2010 fiscal year to allow an adequate comparison to the financial statements for this fiscal year. The most relevant of these reclassifications was deposits in guarantee that were classified as non-financial current assets in 2011.

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

2.3 Basis of consolidation

2.3.1 Subsidiaries

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

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

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

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

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

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

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

(1) See note 13.2

2.3.2 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. Investments in associates are accounted for using the equity method and are initially recognized at cost.

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

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

2.4 Financial reporting by operating segment

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

- Chile operation
- Brazil operation
- Argentina operation

2.5 Foreign currency translation

2.5.1 Functional currency and currency of presentation

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

2.5.2 Balances and transactions

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

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

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

2.5.3 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. (Brazil segment)	Brazilian Real R$
Embotelladora del Atlántico S.A. (Argentina segment)	Argentine Peso A$

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

2.6 Property, plant, and equipment

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

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

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

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

The estimated years of useful life are:

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

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

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

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

2.7 Intangible assets

2.7.1 Goodwill

Goodwill represents the excess of the acquisition cost over the fair value of the Group's share in identifiable net assets of the subsidiary on the acquisition date. Since goodwill is an intangible asset with no defined useful life, it is impairment-tested each year and appraised at its initial value, less any cumulative 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.

2.7.2 Water rights

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

2.8 Impairment losses

Assets that have an indefinite useful life, such as land, are not amortized and are tested annually for impairment. Amortizable assets are tested for impairment whenever there is an event or change in circumstances indicating that the carrying amount might not be recoverable. An excess carrying value of the asset above its recoverable amount is recognized as an impairment loss. The recoverable amount is the higher of an 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 were impaired are reviewed at each reporting date to determine if impairement loss should be reversed.

2.9 Financial assets

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

2.9.1 Financial assets at fair value through profit or loss

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

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

2.9.2 Loans and accounts receivable

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

2.9.3 Other financial assets hold until their maturity

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

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

2.10 Derivatives and hedging

The Company holds derivatives for the purpose of mitigating the exchange rate risk and the price of raw materials and property, plant and equipment.

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

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

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

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

Fair value hierarchy

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

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: Assumptions different to quoted prices included in level 1 and that are applicable to assets and liabilities, be it directly (as price) or indirectly (i.e. derived from a price).

Level 3: Assumptions for assets and liabilities that are not based on information observed directly in the market.

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

2.11 Inventory

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

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

2.12 Trade receivable

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

2.13 Cash and cash equivalents

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

2.14 Bank and debt security debt

The resources secured from banks and the issuance of debt securities are initially recognized at their fair value, net of the cost involved in the transaction. The debt is subsequently appraised with the accrual of interest that matches the present value of the debt to the future amount payable, using the interest rate method.

2.15 Government subsidies

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

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

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

2.16 Income tax

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

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

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

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

2.17 Employee benefits

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

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

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

2.18 Provisions

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

2.19 Bottle deposits

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

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

2.20 Revenue recognition

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

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

2.21 Dividend payments

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

2.22 Critical accounting estimates and judgments

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

2.22.1 Estimated impairment loss on goodwill

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

2.22.2 Provision for doubtful receivables

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

2.22.3 Property, plant, and equipment

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

2.22.4 Liabilities for bottle and case collateral

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

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

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

New Standards	Mandatory effective Date
IFRS 9 Financial instruments: Classification and measurement	January 1, 2015
IFRS 10 Consolidated Financial Statements	January 1, 2013
IFRS 11 Joint Arrangements	January 1, 2013
IFRS 12 Disclosure of Interests in other entities	January 1, 2013
IFRS 13 Fair value measurement	January 1, 2013

IFRS 9 "Financial instruments"

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

IFRS 10 "Consolidated financial statements" / NIC 27 "Separate financial statements"

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

IFRS 11 "Joint arrangements"/ NIC 28 "Investments in associates and joint ventures"

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

IFRS 12 "Disclosure of interests in other entities"

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

IFRS 13 "Fair value measurement"

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

Improvements and Amendments		Mandatory effective date
IAS 1	Presentation of Financial Statements – Presentation of Other Comprehensive Income Components	July 1, 2012
IAS 12	Deferred taxes: Recovery of underlying assets	January 1, 2012
IAS 19	Employee benefits (2011)	January 1, 2013
IAS 32	Financial instruments presentation	January 1, 2014

IAS 1 Presentation of Financial Statements

The changes to IAS 1 relate to the presentation of items in Other Comprehensive Income. The choice is granted of explaining the income for the period and comprehensive income in a single section or separately. Paragraphs on information to be presented for the period's income and other comprehensive income were also amended. This means the following amendments to other standards affected by this improvement: IFRS 1 First-Time Adoption of International Financial Reporting Standards: Paragraph 21 is amended and paragraph 39k is added; IFRS 5 Non-Current Assets Held for Sale and Discontinued Operations: Paragraph 33A was amended and paragraph 44I was added; IFRS 7 Financial Instruments: Disclosures: paragraph 27B was amended and 44Q added; IAS 12 Income Taxes: paragraph 77 was amended, 77A was eliminated and 98B added; IAS 20 Government Grants and Disclosure of Government Assistance: paragraph 29 was amended, 29A was eliminated and 46 was added; IAS 21 Changes in Foreign Exchange Rates: paragraph 39 was amended and 60H was added; IAS 32 Financial Instruments: Presentation: paragraph 40 was amended and 97K was added; IAS 33 Earnings per Share: paragraphs 4A, 67A, 68A and 73A were amended and 74D was added; IAS 34 Interim Financial Reporting: paragraphs 8, 8A, 11A and 20 were amended and 51 was added. These amendments must be incorporated obligatorily for years beginning on or after July 1, 2012. They can be applied early, which must be disclosed.

IAS 12 "Income taxes"

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

IAS 19 "Employee benefits"

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

IAS 32 "Financial instruments presentation"

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

Management assessed the impact of these new pronouncements and interpretations and does not anticipate that its adoption will lead to a significant impact on the annual information of Embotelladora Andina S.A.and subsidiaries in the year of initial application.

NOTE 3 – REPORTING BY SEGMENT

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

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

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

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

- Chilean operations
- Brazilian operations
- Argentine operations

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

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

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

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

For the year ended December 31, 2011	Chile Operation ThCh$	Argentina Operation ThCh$	Brazil Operation ThCh$	Consolidated Total ThCh$
Operating revenue from external customers, total	304,948,177	232,222,929	445,693,311	982,864,417
Interest income, total for segments	1,490,143	140,622	1,551,669	3,182,434
Interest expense, total for segments	(5,513,503)	(1,063,755)	(657,918)	(7,235,176)
Interest income, net, total for segments	**(4,023,360)**	**(923,133)**	**893,751**	**(4,052,742)**
Depreciation and amortization, total for segments	(15,894,245)	(7,780,619)	(15,822,662)	(39,497,526)
Sums of significant income items, total	4,001,479	497,269	2,239,588	6,738,336
Sums of significant expense items, total	(249,291,504)	(209,576,210)	(390,157,347)	(849,025,061)
Net income of the segment reported, total	**39,740,547**	**14,440,236**	**42,846,641**	**97,027,424**
Share of the entity in income of associates accounted for using the equity method, total	2,663,439	-	(637,281)	2,026,158
Income tax expense (income), total	(7,539,223)	(7,766,215)	(19,379,223)	(34,684,661)
Segment assets, total	**322,057,645**	**124,177,733**	**303,784,192**	**750,019,570**
Carrying amount in associates and joint ventures accounted for using the equity method, total	36,568,610	-	23,722,356	60,290,966
Capital expenditures and other	77,195,636	25,311,303	28,951,005	131,457,944
Liabilities of the segments, total	**148,215,988**	**81,156,042**	**98,668,620**	**328,040,650**

For the year ended December 31, 2010	Chile Operation ThCh$	Argentina Operation ThCh$	Brazil Operation ThCh$	Consolidated Total ThCh$
Operating revenue from external customers, total	295,658,591	185,273,657	407,781,634	888,713,882
Interest income, total for segments	1,176,029	253,667	1,946,442	3,376,138
Interest expense, total for segments	(5,256,730)	(1,069,665)	(1,075,436)	(7,401,831)
Interest income, net, total for segments	**(4,080,701)**	**(815,998)**	**871,006**	**(4,025,693)**
Depreciation and amortization, total for segments	(15,958,801)	(7,204,876)	(13,850,832)	(37,014,509)
Sums of significant income items, total	868,878	81,927	2,539,815	3,490,620
Sums of significant expense items, total	(236,598,062)	(164,453,198)	(346,512,976)	(747,564,236)
Net income of the segment reported, total	**39,889,905**	**12,881,512**	**50,828,647**	**103,600,064**
Share of the entity in income of associates accounted for using the equity method, total	519,441	-	1,795,494	2,314,935
Income tax expense (income), total	(7,632,006)	(6,963,258)	(21,744,976)	(36,340,240)
Segment assets, total	**324,947,619**	**84,478,546**	**285,779,539**	**695,205,704**
Carrying amount in associates and joint ventures accounted for using the equity method, total	25,772,670	-	24,981,498	50,754,168
Capital expenditures and other	49,987,257	9,867,356	50,836,233	110,690,846
Liabilities of the segments, total	**127,917,724**	**44,719,133**	**127,704,251**	**300,341,108**

NOTE 4 – CASH AND CASH EQUIVALENTS

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

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

Description	12.31.2011 ThCh$	12.31.2010 ThCh$
By currency		
Dollar	**2,724,252**	2,962,900
Euros	**243,991**	345,623
Argentine Peso	**5,020,278**	1,705,533
Chilean Peso	**6,340,907**	25,646,505
Real	**16,968,494**	17,602,519
Cash and cash equivalents	**31,297,922**	**48,263,080**

4.1 Time deposits

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

Placement	Entity	Currency	Principal ThCh$	Annual Rate %	Balance at 12.31.2011 ThCh$
12.29.2011	Banco BBVA	Euro	243,449	0,350	243,991
Total					243,991

Placement	Entity	Currency	Principal ThCh$	Annual Rate %	Balance at 12.31.2010 ThCh$
12.17.2010	Banco Santander	Chilean peso	7,000,000	3,720%	7,004,005
01.13.2010	Banco de Chile	Unidad de fomento	4,410,633	1,700%	4,602,188
01.13.2010	Banco Estado	Unidad de fomento	4,410,633	1,650%	4,599,975
12.02.2010	Banco BBVA	Euro	354,271	0,210%	345,623
12.13.2010	Banco BBVA	Argentine peso	14,392	10,000%	14,192
03.29.2010	Banco Votorantim	Real	31,383	8,820%	33,230
09.30.2010	Banco Itaú	Real	2,846,938	8,830%	2,859,355
11.23.2010	Banco Itaú	Real	2,814,206	8,830%	2,828,751
04.14.2010	Banco Itaú	Real	397,500	8,830%	398,609
07.27.2010	Banco Itaú	Real	2,891,489	8,830%	2,900,221
12.30.2010	Banco Itaú	Real	2,808,846	8,830%	2,808,846
Total					28,394,995

4.2 Money Market

Mutual 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 periods are accounted for as a debit or credit to income. Below is a description for the end of each period:

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

NOTE 5 – OTHER CURRENT FINANCIAL ASSETS

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

Time deposits

Placement date	Maturity date	Entity	Currency	Principal ThCh$	Annual rate %	Balance at 12.31.2011 ThCh$
08.04.2011	01.18.2012	Banco BBVA	Unidad de fomento	4,000,000	3,44	4,119,995
08.04.2011	01.18.2012	Banco Estado	Unidad de fomento	4,000,000	3,48	4,138,046
12.21.2011	05.09.2012	Banco Corpbanca	Unidad de fomento	2,500,000	5,00	2,505,892
12.21.2011	05.09.2012	Banco Chile	Unidad de fomento	2,500,000	4,70	2,505,684
12.16.2011	02.20.2012	Banco Galicia (1)	Peso argentino	711,717	20,00	716,403
03.25.2011	03.20.2012	Banco Votorantin	Real	17,759	8,82	19,007
Total						14,005,027

Mutual funds

Institution	12.31.2011 ThCh$
Banco Galicia money market fund (1)	1,656,156
Total	1,656,156
Total other current financial assets 2011	15,661,183

(1) These are financial investments the use of which is restricted because they were made to comply with the guarantees of derivatives transactions performed by the Company.

Placement date	Maturity date	Entity	Currency	Principal ThCh$	Annual rate %	Balance at 12.31.2010 ThCh$
05.12.10	04.29.11	Banco BBVA	Unidad de fomento	456,766	0.57	467,322
05.12.10	09.30.11	Banco BBVA	Unidad de fomento	228,383	1.37	234,861
05.12.10	12.29.11	Banco BBVA	Unidad de fomento	228,383	1.37	256,423
04.23.10	05.30.11	Banco BBVA	Unidad de fomento	12,114,877	0.00	12,362,024
05.03.10	05.09.11	Banco BCI	Unidad de fomento	11,914,000	0.00	12,153,007
06.14.10	05.09.11	Banco Itaú	Unidad de fomento	4,770,768	0.40	4,848,825
07.01.10	05.09.11	Banco Itaú	Unidad de fomento	2,713,000	0.70	2,754,825
08.03.10	08.09.11	Banco Itaú	Unidad de fomento	1,000,000	0.52	1,012,928
10.28.10	05.09.11	Banco Itaú	Unidad de fomento	4,000,000	2.86	4,033,440
10.28.10	05.09.11	Banco de Chile	Unidad de fomento	4,000,000	2.45	4,030,516
04.12.10	04.12.11	Banco BBVA	Peso chileno	6,644,069	2.40	6,760,563
Total other current financial assets 2011						48.914.734

NOTE 6 – CURRENT AND NON-CURRENT NON-FINANCIAL ASSETS

Note 6.1 Other current non-financial assets

Description	12.31.2011 ThCh$	12.31.2010 ThCh$
Prepaid Insurance	77,228	288,588
Prepaid Expenses	2,933,946	1,897,584
Fiscal credit remaining	11,704,342	4,257,271
Other current assets	45,342	492,374
Total	14,760,858	6,935,817

Note 6.2 Other non-current, non-financial assets

Description	12.31.2011 ThCh$	12.31.2010 ThCh$
Prepaid expenses	2,275,128	2,180,033
Fiscal credits	6,529,944	5,681,851
Judicial deposits	19,989,604	12,720,300
Others	1,399,133	925,570
Total	30,193,809	21,507,754

NOTE 7 – TRADE AND OTHER ACWCOUNTS RECEIVABLE

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

	12.31.2011		12.31.2010	
Description	Current ThCh$	Non-current ThCh$	Current ThCh$	Non-current ThCh$
Trade accounts receivable	71,818,536	-	64,317,502	-
Notes receivables	14,932,418	7,175,660	16,325,466	7,585,983
Other accounts receivable	22,236,659	-	17,837,185	218,498
Allowance for doubtful accounts	(1,544,574)	-	(1,225,556)	-
Total	107,443,039	7,175,660	97,254,597	7,804,481

The change in the allowance for doubtful accounts between January 1 and December 31, 2011 and 2010 is presented below:

Item	12.31.2011 ThCh$	12.31.2010 ThCh$
Initial balance	1,225,556	1,688,988
Increase	1,610,540	629,409
Use of allowance	(1,368,084)	(970,352)
Increase (decrease) because of foreign exchange	76,562	(122,489)
Movement	319,018	(463,432)
Final balance	1,544,574	1,225,556

NOTE 8 – INVENTORY

The composition of inventory balances is detailed as follows:

Description	12.31.2011 ThCh$	12.31.2010 ThCh$
Raw materials	29,518,840	23,117,229
Merchandise	6,949,830	7,061,966
Production inputs	1,386,122	853,130
Products in progress	256,273	97,467
Finished goods	11,215,868	13,922,337
Spare parts	8,136,491	8,704,152
Other inventory	765,020	643,091
Obsolescence allowance	(741,786)	(683,863)
Balance	57,486,658	53,715,509

The cost of inventory recognized as a cost of sales totaled ThCh$578,581,184 and ThCh$506,882,144 at December 31, 2011 and 2010, respectively.

NOTE 9 – INCOME TAX AND DEFERRED TAXES

At 2011 year end, the Company had a taxable profits fund for ThCh$ 60,878,457, comprised of profits with credits for first category income tax amounting to ThCh$ 55,056,834 and profits with no credit amounting to ThCh$5,821,623.

9.1 Current taxes receivable

The current taxes receivable consisted of the following items:

Description	12.31.2011 ThCh$	12.31.2010 ThCh$
Monthly income tax installments	1,646,502	1,091,997
Tax credits (1)	817,064	1,196,728
Balance	2,463,566	2,288,725

(1) That item corresponds to tax income credit on account of training expenses, purchase of property, plant and equipment and donations.

9.2 Current taxes payable

Current taxes payable are detailed as follows:

Description	12.31.2011 ThCh$	12.31.2010 ThCh$
Income tax	3,459,329	3,877,563
Other	361,918	131,826
Balance	3,821,247	4,009,389

9.3 Tax expense

The income tax and deferred tax expenses for the years ended December 31, 2011 and 2010 are detailed as follows:

Description	12.31.2011 ThCh$	12.31.2010 ThCh$
Current tax expense	31,384,666	31,847,824
Adjustment to current tax from previous year	371,547	114,521
Other current tax expenses	396,319	10,276
Total net current tax expense	32,152,532	31,972,621
Deferred tax expenses	2,532,129	4,367,619
Total deferred tax expenses	2,532,129	4,367,619
Total income tax expense	34,684,661	36,340,240

9.4 Deferred taxes

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

	12.31.2011		12.31.2010	
Temporary differences	Assets ThCh$	Liabilities ThCh$	Assets ThCh$	Liabilities ThCh$
Property, plant and equipment	897,101	22,769,301	-	22,702,343
Impairment accrual	865,769	-	1,302,801	-
Employee benefits	1,462,239	-	2,386,307	-
Post-employment benefits	-	510,613	9,550	82,143
Tax losses	705,861	-	-	-
Contingency provision	2,215,553	-	1,620,901	-
Foreign exchange rate difference (debt Brazil)	-	11,698,815	-	13,506,899
Allowance for doubtful accounts	368,947	-	446,516	-
Tax income for inventory holding (Argentina)	1,066,527	-	663,663	-
Derivatives	-	-	183,444	-
Tax incentives	-	7,900,864	-	5,335,199
Other	478,230	426,124	278,427	865,764
Total	8,060,227	43,305,717	6,891,609	42,492,348

9.5 Deferred tax liability movement

Movement in deferred liability accounts is detailed as follows:

Item	12.31.2011 ThCh$	12.31.2010 ThCh$
Initial Balance	42,492,348	39,435,167
Increase in deferred tax liabilities	3,629,952	4,657,692
Divestiture by sale of business (Sale of ownership interest in Vital S.A.)	(1,075,367)	-
Decrease due to foreign currency translation	(1,741,216)	(1,600,511)
Movements	813,369	3,057,181
Final balance	43,305,717	42,492,348

9.6 Distribution of domestic and foreign tax expenses

As of December 31, 2011 and 2010, domestic and foreign tax expenses are detailed as follows:

Income tax	12.31.2011 ThCh$	12.31.2010 ThCh$
Current taxes		
Foreign	(24,138,759)	(26,000,138)
Domestic	(8,013,773)	(5,972,483)
Current tax expense	(32,152,532)	(31,972,621)
Deferred taxes		
Foreign	(3,006,679)	(3,293,124)
Domestic	474,550	(1,074,495)
Deferred tax expense	(2,532,129)	(4,367,619)
Income tax expense	(34,684,661)	(36,340,240)

9.7 Reconciliation of effective rate

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

Reconciliation of effective rate	12.31.2011 ThCh$	12.31.2010 ThCh$
Income before taxes	131,712,085	139,940,304
Tax expense at legal rate (20%)	(26,342,417)	-
Tax expense at legal rate (17%)	-	(23,789,852)
Effect of tax rate in other jurisdictions	(11,459,545)	(15,161,635)
Permanent differences:		
Investments in equity investees accounted for using the equity method and consolidation	4,190,331	4,754,092
Non-tax-deductible expenses	(868,025)	(213,192)
Other	(205,005)	(1,929,653)
Tax expense adjustment	3,117,301	2,611,247
Tax expense at effective rate	(34,684,661)	(36,340,240)
Effective rate	26.3%	26.0%

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

Country	Rate
Chile	20%
Brazil	34%
Argentina	35%

NOTE 10 – PROPERTY, PLANT, AND EQUIPMENT

10.1 Balances

Property, plant and equipment at the end of each year are detailed below:

	Gross property, plant and equipment		Cumulative depreciation and impairment loss		Net property, plant and equipment	
Item	12.31.2011 ThCh$	12.31.2010 ThCh$	12.31.2011 ThCh$	12.31.2010 ThCh$	12.31.2011 ThCh$	12.31.2010 ThCh$
Construction in progress	47,924,160	23,506,510	-	-	47,924,160	23,506,510
Land	34,838,977	36,523,803	-	-	34,838,977	36,523,803
Buildings	93,603,989	92,227,198	(28,249,427)	(29,245,272)	65,354,562	62,981,926
Plant and equipment	264,342,629	232,604,986	(155,026,259)	(154,729,140)	109,316,370	77,875,846
Information technology equipment	11,416,373	10,825,556	(9,273,033)	(8,756,221)	2,143,340	2,069,335
Fixed installations and accessories	29,878,815	30,603,706	(14,428,606)	(14,319,552)	15,450,209	16,284,154
Motor vehicles	4,871,319	5,627,463	(2,932,515)	(3,757,415)	1,938,804	1,870,048
Improvements to leased property	153,483	155,755	(129,503)	(110,832)	23,980	44,923
Other property, plant and equipment (1)	250,672,995	286,065,161	(177,598,930)	(215,739,526)	73,074,065	70,325,635
Total	737,702,740	718,140,138	(387,638,273)	(426,657,958)	350,064,467	291,482,180

(1) Other property, plant and equipment is composed of bottles, market assets, furniture and other minor goods. The net balance of each of these categories at December 31, 2011 and 2010 is detailed as follows:

Other property, plant and equipment	12.31.2011 ThCh$	12.31.2010 ThCh$
Bottles	36,737,104	38,230,257
Marketing and promotional assets	19,478,303	18,153,012
Other property, plant and equipment	16,858,658	13,942,366
Total	73,074,065	70,325,635

The Company has an insurance to protect its property, plant and equipment and its inventory from potential losses, The geographic distribution of those assets is detailed as follows:

Chile: Santiago, Puente Alto, Maipú, Renca, Rancagua and San Antonio
Argentina: Buenos Aires, Mendoza, Córdoba and Rosario.
Brazil: Río de Janeiro, Niteroi, Campos, Cabo Frío, Nova Iguazú, Espirito Santo and Vitoria.

10.2 Movements

Movements in property, plant and equipment are detailed as follows between January 1 and December 31, 2011 and 2010:

For the year ended 12.31.2011	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$	Improvements to leased property, net ThCh$	Other property, plant and equipment, net ThCh$	Property, plant and equipment, net ThCh$
Initial balance	23,506,510	36,523,803	62,981,926	77,875,846	2,069,335	16,284,154	1,870,048	44,923	70,325,635	291,482,180
Deconsolidation of Vital S.A. because control was lost	-	(1,789,538)	(5,234,227)	(6,749,334)	-	-	-	-	(732,167)	(14,505,266)
Additions	52,845,762	(973)	2,076,108	30,838,285	601,044	45,516	499,615	-	31,524,654	118,430,011
Disposals	(13,506)	(120,727)	(762,174)	(17,571)	(185)	(30,395)	-	-	(49,852)	(994,410)
Transfers between items of property, plant and equipment	(28,409,020)	283,495	8,785,405	21,589,748	398,449	1,810,434	14,956	-	(4,473,467)	-
Depreciation expense	-	-	(2,022,571)	(13,713,542)	(931,282)	(1,117,400)	(379,172)	(21,250)	(20,650,320)	(38,835,537)
Increase (decrease) in foreign currency translation	(24,574)	(67,205)	(179,705)	(542,938)	6,023	26,995	(1,980)	307	(280,024)	(1,063,101)
Other increases (decreases)	18,988	10,122	(290,200)	35,876	(44)	(1,569,095)	(64,663)	-	(2,590,394)	(4,449,410)
Total movements	24,417,650	(1,684,826)	2,372,636	31,440,524	74,005	(833,945)	68,756	(20,943)	2,748,430	58,582,287
Final balance	47,924,160	34,838,977	65,354,562	109,316,370	2,143,340	15,450,209	1,938,804	23,980	73,074,065	350,064,467

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$	Improvements to leased property, net ThCh$	Other property, plant and equipment, net ThCh$	Property, plant and equipment, net ThCh$
Initial balance	5,487,011	37,046,146	61,570,532	72,648,457	2,139,891	16,664,567	1,416,740	79,336	50,816,411	247,869,091
Additions	32,097,391	501,788	1,834,762	21,923,605	669,553	60,376	895,781	-	32,592,914	90,576,170
Disposals	-	(10,039)	(71,333)	(225,383)	(350)	-	(4,342)	-	(206,873)	(518,320)
Transfers between items of property, plant and equipment	(13,807,070)	-	3,515,683	2,022,179	258,089	661,830	1,324	-	7,347,965	-
Depreciation expense	-	-	(1,829,939)	(13,445,509)	(938,545)	(985,366)	(355,283)	(32,584)	(18,519,806)	(36,107,032)
Increase (decrease) in foreign currency translation	(270,822)	(1,014,092)	(2,048,206)	(4,838,392)	(58,043)	(119,494)	(60,895)	(1,829)	(606,776)	(9,018,549)
Other increases (decreases)	-	-	10,427	(209,111)	(1,260)	2,241	(23,277)	-	(1,098,200)	(1,319,180)
Total movements	18,019,499	(522,343)	1,411,394	5,227,389	(70,556)	(380,413)	453,308	(34,413)	19,509,224	43,613,089
Final balance	23,506,510	36,523,803	62,981,926	77,875,846	2,069,335	16,284,154	1,870,048	44,923	70,325,635	291,482,180

NOTE 11 – RELATED PARTY DISCLOSURES

Balances and transactions with related parties as of December 31, 2011and 2010 are detailed as follows:

11.1 Accounts receivable:

11.1.1 Current:

Taxpayer ID	Company	Relationship	Country of origin	Currency	12.31.2011 ThCh$	12.31.2010 ThCh$
96.714.870-9	Coca-Cola de Chile S. A.	Shareholder	Chile	Chilean peso	6,014,176	-
86.881.400-4	Envases CMF S. A.	Associate	Chile	Chilean peso	338,765	-
93.473.000-3	Embotelladoras Coca-Cola Polar S.A.	Related to shareholder	Chile	Chilean peso	66,052	248,273
Total					6,418,993	248,273

11.1.2 Non-current:

Taxpayer ID	Company	Relationship	Country of origin	Currency	12.31.2011 ThCh$	12.31.2010 ThCh$
96.714.870-9	Coca-Cola de Chile S.A.	Shareholder	Chile	Chilean peso	11,187	8,847
Total					11,187	8,847

11.2 Accounts Payable:

11.2.1 Current:

Taxpayer ID	Company	Relationship	Country of origin	Currency	12.31.2011 ThCh$	12.31.2010 ThCh$
96.714.870-9	Coca-Cola de Chile S.A.	Shareholder	Chile	Chilean peso	-	3,959,060
Foreign	Servicio y Productos para Bebidas Refrescantes S.R.L.	Related to shareholder	Argentina	Argentine peso	962,725	2,725,508
Foreign	Recofarma do Indústrias Amazonas Ltda.	Related to shareholder	Brazil	Real	6,287,520	3,834,762
96.705.990-0	Envases Central S.A.	Associate	Chile	Chilean peso	2,200,977	1,005,828
86.881.400-4	Envases CMF S.A.	Associate	Chile	Chilean peso	-	1,216,955
76.389.720-6	Vital Aguas S.A.	Associate	Chile	Chilean peso	732,249	630,927
89.996.200-1	Envases del Pacífico S.A.	Director común	Chile	Chilean peso	-	173,850
93.891.720-k	Coca-Cola Embonor S.A.	Related to shareholder	Chile	Chilean peso	-	776,583
96.648.500-0	Vital Jugos S.A.	Associate	Chile	Chilean peso	1,175,567	-
Total					11,359,038	14,323,473

11.3 Transactions:

Taxpayer ID	Company	Relationship	Country of origin	Description of transaction	Currency	Cumulative 12.31.2011 ThCh$
96.648.500-0	Vital S.A.	Associate	Chile	Sale of raw materials	Chilean peso	5,589,681
96.648.500-0	Vital S.A.	Associate	Chile	Collection of loans	Chilean peso	3,102,400
96.648.500-0	Vital S.A.	Associate	Chile	Purchase of finished products	Chilean peso	21,687,373
96.648.500-0	Vital S.A.	Associate	Chile	Loan granted	Chilean peso	2,600,000
96.705.990-0	Envases Central S.A.	Associate	Chile	Purchase of finished products	Chilean peso	19,170,427
96.705.990-0	Envases Central S. A.	Associate	Chile	Sale of raw materials	Chilean peso	3,345,527
96.714.870-9	Coca Cola de Chile S.A.	Shareholder	Chile	Concentrate purchase	Chilean peso	66,279,629
96.714.870-9	Coca Cola de Chile S.A.	Shareholder	Chile	Purchase of advertising services	Chilean peso	2,300,351
96.714.870-9	Coca Cola de Chile S.A.	Shareholder	Chile	Sale of marketing services	Chilean peso	791,098
96.714.870-9	Coca Cola de Chile S.A.	Shareholder	Chile	Sale of raw materials and others	Chilean peso	6,147,836
86.881.400-4	Envases CMF S.A.	Associate	Chile	Purchase of bottles	Chilean peso	10,574,791
86.881.400-4	Envases CMF S.A.	Associate	Chile	Purchase of packaging materials	Chilean peso	1,294,064
76.389.720-6	Vital Aguas S.A.	Associate	Chile	Purchase of finished products	Chilean peso	6,191,936
Foreign	Recofarma do Industrias Amazonas Ltda	Related to shareholder	Brazil	Concentrate purchase	Real	83,833,396
Foreign	Recofarma do Industrias Amazonas Ltda.	Related to shareholder	Brazil	Reimbursement and other purchases	Real	1,371,278
Foreign	Recofarma do Industrias Amazonas Ltda.	Related to shareholder	Brazil	Advertising participation payment	Real	18,489,621
Foreign	Servicio y Productos para Bebidas Refrescantes S.R.L.	Related to shareholder	Argentina	Concentrate purchase	Argentine peso	50,482,708
Foreign	Servicio y Productos para Bebidas Refrescantes S.R.L.	Related to shareholder	Argentina	Advertising rights, rewards and others	Argentine peso	2,099,957
Foreign	Servicio y Productos para Bebidas Refrescantes S.R.L.	Related to shareholder	Argentina	Collection of advertising participation	Argentine peso	5,078,692
96.815.680-2	BBVA Administradora General de Fondos	Related to director	Chile	Investment in mutual funds	Chilean peso	33,625,000
96.815.680-2	BBVA Administradora General de Fondos	Related to director	Chile	Redemption of mutual funds	Chilean peso	33,625,000
96.815.680-2	BBVA Administradora General de Fondos	Related to director	Chile	Investments in time deposits	Chilean peso	723,921
96.815.680-2	BBVA Administradora General de Fondos	Related to director	Chile	Bank loans	Chilean peso	3,498,249
96.815.680-2	BBVA Administradora General de Fondos	Related to director	Chile	Redemption of time deposits	Chilean peso	1,434,234
96.815.680-2	BBVA Administradora General de Fondos	Related to director	Chile	Payment of bank loans	Chilean peso	3,498,249
84.505.800-8	Vendomática S.A.	Related to director	Chile	Sale of finished products	Chilean peso	1,330,544
79.753.810-8	Claro y Cia.	Related to director	Chile	Legal Counsel	Chilean peso	246,548
89.996.200-1	Envases del Pacífico S.A.	Related to director	Chile	Raw materials purchased	Chilean peso	355,460

Taxpayer ID	Company	Relationship	Country of origin	Description of transaction	Currency	Cumulative 12.31.2010 ThCh$
96.705.990-0	Envases Central S.A.	Associate	Chile	Purchase of finished products	Chilean peso	17.810.345
96.705.990-0	Envases Central S.A.	Associate	Chile	Purchase of finished products	Chilean peso	17,810,345
96.705.990-0	Envases Central S.A.	Associate	Chile	Sale of raw materials	Chilean peso	2,542,071
96.714.870-9	Coca Cola de Chile S.A.	Associate	Chile	Concentrate purchase	Chilean peso	64,448,337
96.714.870-9	Coca Cola de Chile S.A.	Associate	Chile	Advertising payment	Chilean peso	1,857,135
96.714.870-9	Coca Cola de Chile S.A.	Associate	Chile	Services rendered	Chilean peso	3,292,507
96.714.870-9	Coca Cola de Chile S.A.	Associate	Chile	Advertising collection	Chilean peso	989,554
Foreign	Recofarma do Industrias Amazonas Ltda.	Related to shareholder	Brazil	Concentrate purchase	Real	61,827,392
Foreign	Recofarma do Industrias Amazonas Ltda.	Related to shareholder	Brazil	Reimbursement and other purchases	Real	1,188,468
Foreign	Recofarma do Industrias Amazonas Ltda.	Related to shareholder	Brazil	Advertising participation payment	Real	13,851,240
86.881.400-4	Envases CMF S.A.	Associate	Chile	Purchase of bottles	Chilean peso	7,636,480
86.881.400-4	Envases CMF S.A.	Associate	Chile	Purchase of packaging materials	Chilean peso	409,929
84.505.800-8	Vendomática S.A	Related to director	Chile	Sale of finished products	Chilean peso	1,401,691
84.505.800-8	Vendomática S.A	Related to director	Chile	Supply and advertising agreement	Chilean peso	250,000
96.815.680-2	BBVA Administración General de Fondos	Related to director	Chile	Investment in mutual funds	Chilean peso	34,148,000
96.815.680-2	BBVA Administración General de Fondos	Related to director	Chile	Redemption of mutual funds	Chilean peso	36,992,000
76.389.720-6	Vital Aguas S.A.	Associate	Chile	Purchase of finished products	Chilean peso	5,676,978
76.389.720-6	Vital Aguas S.A.	Associate	Chile	Services rendered	Chilean peso	254,909
Foreign	Servicio y Productos para Bebidas Refrescantes S.R.L.	Related to shareholder	Argentina	Concentrate purchase	Argentine peso	39,404,175
Foreign	Servicio y Productos para Bebidas Refrescantes S.R.L.	Related to shareholder	Argentina	Advertising rights, rewards and others	Argentine peso	1,587,201
Foreign	Servicio y Productos para Bebidas Refrescantes S.R.L.	Related to shareholder	Argentina	Collection of advertising participation	Argentine peso	6,218,762
96.891.720-K	Coca-Cola Embonor S. A.	Related to shareholder	Chile	Sale of finished products	Chilean peso	8,236,127
96.517.310-2	Embotelladora Iquique S.A.	Related to shareholder	Chile	Sale of finished products	Chilean peso	689,551
93.473.000-3	Embotelladora Coca-Cola Polar S.A.	Related to shareholder	Chile	Sale of finished products	Chilean peso	5,243,772
89.996.200-1	Envases del Pacífico S.A.	Related to shareholder	Chile	Raw materials purchased	Chilean peso	481,592

11.4 Payroll and benefits of the Company's key employees

At the end of the year December 31, 2011 and 2010, respectively, the salary and benefits paid to the Company's key employees, corresponding to directors and managers, are detailed as follows:

Full description	12.31.2011 ThCh$	12.31.2010 ThCh$
Executive wages, salaries and benefits	4,324,205	4,198,174
Director allowances	1,104,000	1,016,124
Termination benefits	2,289,610	1,643,749
Accrued benefits in the last five years and paid during the period (1)	1,338,675	981,635
Total	9,056,490	7,839,682

(1) The Company has an executive retention plan. This plan grants certain executives the right to receive a fixed cash payment on a pre-set date once they have completed the required years of employment.

NOTE 12 – EMPLOYEE BENEFITS

As of December 31, 2011 and 2010, the Company had recorded reserves for profit share and for bonuses totaling ThCh$6,354,817 and ThCh$ 6,635,679 respectively.

This liability is shown in accrued other non-current non-financial liabilities in the statement of financial position.

The charge against income in the statement of comprehensive income is allocated between the cost of sales, the cost of marketing, distribution costs and administrative expenses.

12.1 Personnel expenses

At December 31, 2011 and 2010, personnel expenses included in the statement of consolidated comprehensive income were:

Description	12.31.2011 ThCh$	12.31.2010 ThCh$
Wages and salaries	85,266,348	78,616,848
Employee benefits	19,336,845	20,084,397
Severance and post-employment benefits	2,307,187	1,580,085
Other personnel expenses	5,135,492	4,549,669
Total	112,045,872	104,830,999

12.2 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, 2011 and 2010 is detailed as follows.

Post-employment benefits	12.31.2011 ThCh$	12.31.2010 ThCh$
Non-current provision	5,130,015	7,256,590
Total	5,130,015	7,256,590

12.3 Post-employment benefit movement

The movements of post-employment benefits for the years ended at December 31, 2011 and 2010, are detailed as follows:

Movements	12.31.2011 ThCh$	12.31.2010 ThCh$
Initial balance on 01.01.2011 and 01.01.2010	7,256,590	8,401,791
Service costs	288,386	359,798
Interest costs	471,678	213,927
Net actuarial losses	1,310,764	569,707
Benefits paid	(4,197,403)	(2,288,633)
Total	5,130,015	7,256,590

12.4 Assumptions

The actuarial assumptions used in the period ended December 31, 2011 were:

Assumption	12.31.2011	12.31.2010
Discount rate (1)	6.5%	6.7%
Expected salary increase rate (1)	5.0%	4.7%
Turnover rate	6.6%	6.6%
Mortality rate (2)	RV-2009	RV-2004
Retirement age of women	60 años	60 años
Retirement age of men	65 años	65 años

(1) The discount rate and the expected salary increase rate are calculated in real terms, which do not include an inflation adjustment. The rates shown above are presented in nominal terms to facilitate a better understanding by the reader.

(2) Mortality assumption tables prescribed for use by the Chilean Superintendency of Securities and Insurance.

NOTE 13 – INVESTMENTS IN ASSOCIATES ACCOUNTED FOR USING THE EQUITY METHOD

13.1 Balances

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

				Investment Cost		Percentage interest	
Taxpayer ID	Name	Country of Incorporation	Functional currency	12.31.2011 ThCh$	12.31.2010 ThCh$	12.31.2011 ThCh$	12.31.2010 ThCh$
86.881.400-4	Envases CMF S.A.	Chile	Chilean peso	16,824,399	19,070,517	50.00%	50.00%
96.845.500-0	Vital Jugos S.A.	Chile	Chilean peso	12,568,269	-	57.00%	-
76.389.720-6	Vital Aguas S.A.	Chile	Chilean peso	2,952,050	2,718,443	56.50%	56.50%
96.705.990-0	Envases Central S.A.	Chile	Chilean peso	4,223,890	3,983,711	49.91%	49.91%
Foreign	Mais 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	Kaik Participacoes Ltda.	Brazil	Real	1,304,027	1,223,538	11.31%	11.31%
Foreign	Sistema de Alimentos e Bebidas Do Brasil Ltda.	Brazil	Real	9,766,182	-	5.74%	-
Foreign	Holdfab2 Participacoes Societarias Ltda.	Brazil	Real	12,652,149	14,358,820	36.40%	36.40%
Total				60,290,966	50,754,168		

13.2 Movement

The movement of investments in associates recorded using the equity method is shown below, for to the years ended December 31, 2011 and 2010:

Details	12.31.2011 ThCh$	12.31.2010 ThCh$
Initial Balance	50,754,168	34,731,218
Incorporation of Vital Jugos S.A. beginning of the period	13,114,268	-
Capital increases in Equity Investees	4,527,000	15,229,291
Write-off from book value for the sale of the ownership interest in Vital S.A. (43%).	(6,188,675)	-
Dividends received	(2,786,957)	(1,379,837)
Share in operating income	2,541,186	2,984,544
Goodwill in sale of property plant and equipment to Envases CMF	85,266	85,266
Decrease in foreign currency translation, investments in Equity Investees	(621,861)	(624,004)
Capital decrease in Envases CMF S.A.	(1,150,000)	-
Others	16,571	(272,310)
Final balance	60,290,966	50,754,168

The main movements for the years ended 2011 and 2010 are detailed as follows:

- A Special Shareholders Meeting of Vital S.A., our subsidiary, held on January 5, 2011, approved capital increase of ThCh$1,278,000, which was paid in full on January 7, 2011. It also approved changing the name of the company to Vital Jugos S.A.
- On January 21, 2011, our subsidiaries Andina Bottling Investments S.A. and Andina Inversions Societarias S.A. together sold a 43% ownership interest in Vital Jugos S.A. to Embotelladoras Coca-Cola Polar S.A., (15%) and Coca-Cola Embonor S.A. (28%), for an amount of ThCh$6,841,889, obtaining from this sale earnings amounting to ThCh$653,214 which is presented as Other gains (losses) in the statement of income.

  As a result of the change of the business scheme, the Andina group loses control of the company Vital Jugos S.A., given that despite maintaining a 57%, at least one vote is required from the rest of the bottlers of Coca-Cola system for decision-making of financial policies and operation of the business. Accordingly, beginning on January 1, 2011, the financial statements of Vital juices S.A., are treated as investments accounted for using the equity method, excluding the financial statements of the consolidation. Additionally, because of the loss of control of Vital S.A., the difference between the fair value and the book value of the investment remaining in the Company's possession (amounting to ThCh$867,414) was recognized in "Share in earnings of associates" within income, according to IAS 27 guidelines (Consolidated and Separate Financial Statements).
- During the months of March and April, 2011, we made a capital contribution to our associate, Vital Jugos S.A., for a total amount of ThCh$3,249,000.
- Holdfab 2 Participacoes Societarias Ltda. was established in Brazil on March 23, 2010, along with the Coca-Cola bottlers for the purpose of concentrating their investments in the company Leon Junior S.A., in which our subsidiary Rio de Janeiro Refrescos Ltda. has a 36.40% ownership interest, capital contributions amounted to ThCh$15,229,291 and were carried out on August 23, 2010. In turn, Holdfab 2 Participações Societárias Ltda. holds a 50% ownership interest in Leão Junior, hence the Company indirectly controls 18.2% of the latter.
- During 2011, Sucos del Valle do Brasil Ltda. changed its name to Sistema de Alimentos de Bebidas do Brasil Ltda. and absorbed Mais Industrias de Alimentos S.A. that same year. Rio de Janeiro Refrescos Ltda. held an interest of 6.16% in both companies, but after the corporate restructuring, basically to capitalize income, that share fell to 5.74%.
- During the years ended December 31, 2011 and 2010, the Company received dividends from its associate Envases CMF S.A. which amounted to ThCh$2,061,957 and ThCh$1,379,837 respectively
- A special shareholders meeting of Envases CMF S.A. approved a capital decrease of ThCh$2,300,000. The Company received ThCh$1,150,000 of that amount, which is shown as intercompany accounts receivable.

Reconciliation of Income by Investment in Associates:

Details	12.31.2011 ThCh$	12.31.2010 ThCh$
Equity value in income of associates	2,541,186	2,984,544
Non-realized earnings in product stocks acquired from associates and not sold at the end of period, presented as a discount in the respective asset account (Containers and/or inventories)	(600,294)	(754,875)
Amortization of gain on sale of property plant & equipment Envases CMF	85,266	85,266
Income Statement Balance	2,026,158	2,314,935

NOTE 14 – INTANGIBLE ASSETS AND GOODWILL

14.1 Intangible assets not considered as goodwill

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

	December 31, 2011			December 31, 2010		
Description	Gross Amount ThCh$	Cumulative Amortization ThCh$	Net Amount ThCh$	Gross Amount ThCh$	Cumulative Amortization ThCh$	Net Amount ThCh$
Rights	526,342	(103,879)	422,463	522,750	(94,124)	428,626
Software	8,974,534	(8,258,140)	716,394	8,718,483	(7,781,514)	936,969
Total	9,500,876	(8,362,019)	1,138,857	9,241,233	(7,875,638)	1,365,595

The movement and balances of identifiable intangible assets are detailed as follows for the period January 1 to December 31, 2011 and 2010:

	December 31, 2011			December 31, 2010		
Description	Gross Amount ThCh$	Cumulative Amortization ThCh$	Net Amount ThCh$	Gross Amount ThCh$	Cumulative Amortization ThCh$	Net Amount ThCh$
Initial balance	428,626	936,969	1,365,595	426,902	1,690,431	2,117,333
Additions	-	418,182	418,182	16,710	181,123	197,833
Amortization	(7,207)	(661,989)	(669,196)	(8,024)	(907,477)	(915,501)
Other increases (decreases)	1,044	23,232	24,276	(6,962)	(27,108)	(34,070)
Final balance	422,463	716,394	1,138,857	428,626	936,969	1,365,595

14.2 Goodwill

Movement in goodwill during the years 2011 and 2010 is detailed as follows:

Year ended December 31, 2011

Cash generating unit	01.01.2011 ThCh$	Additions ThCh$	Disposals or impairments ThCh$	Foreign currency translation difference – functional currency different from currency of presentation ThCh$	12.31.2011 ThCh$
Brazilian operation	42,298,955		-	(601,951)	41,697,004
Argentine operation	15,471,380	-	-	383,794	15,855,174
Total	57,770,335	-	-	(218,157)	57,552,178

Year ended December 31, 2010

Cash generating unit	01.01.2010 ThCh$	Additions ThCh$	Disposals or impairments ThCh$	Foreign currency translation difference – functional currency different from currency of presentation ThCh$	12.31.2010 ThCh$
Operación Brasilera	43,820,310		-	(1,521,355)	42,298,955
Operación Argentina	17,540,035	-		(2,068,655)	15,471,380
Total	61,360,345	-		(3,590,010)	57,770,335

NOTE 15 – OTHER CURRENT AND NON-CURRENT FINANCIAL LIABILITIES

Liabilities are detailed as follows:

	12.31.2011 ThCh$	12.31.2010 ThCh$
Current		
Bank loans	8,689,670	6,941,133
Bonds payable	3,426,922	3,120,737
Forward contract obligations	163,718	917,219
CPMF (1)	-	1,934,529
Total	12,280,310	12,913,618

	12.31.2011 ThCh$	12.31.2010 ThCh$
Non-current		
Bank loans	5,081,986	593,726
Bonds payable	69,559,417	69,855,733
Total	74,641,403	70,449,459

(1) In 1999, the Company's subsidiary Rio Janeiro Refrescos Ltda. filed a tax lawsuit against the Brazilian Treasury for alleged unconstitutionality in the collection of the tax called CPMF (Contribuição Provisória sobre Movimentação Financeira) on the debits and credits to bank current accounts. While the subsidiary obtained a provisional suspension of said payments from the Courts of Justice, the corresponding tax obligation was still provisioned. In November 2006, the Courts of Justice ruled the constitutionality of the referred tax and Refrescos came to an agreement with the Brazilian Treasury to divide payments in 60 installments.

15.1.1 Bank loans, current

Indebted Entity			Creditor Entity							Maturity		Total	
Tax ID,	Name	Country	Tax ID,	Name	Country	Currency	Amortization Year	Effective Rate	Nominal Rate	Up to 90 days	90 days up to 1 year	At 12.31.2011 ThCh$	At 12.31.2010 ThCh$
Foreign	Embotelladora del Atlántico S.A.	Argentina	Foreign	Banco Nación Bicentenario (1)	Argentina	Argentine peso	At maturity	14.80%	9.90%	-	739,966	**739,966**	-
Foreign	Embotelladora del Atlántico S.A.	Argentina	Foreign	Banco Nación	Argentina	Argentine peso	At maturity	11.85%	11.85%	1,516,442	4,021,000	**5,537,442**	-
Foreign	Embotelladora del Atlántico S.A.	Argentina	Foreign	Banco de Galicia	Argentina	Argentine peso	At maturity	12.50%	12.50%	-	-	-	9,220
Foreign	Embotelladora del Atlántico S.A.	Argentina	Foreign	Banco BBVA Francés	Argentina	Argentine pesos	At maturity	13.22%	13.22%	-	-	-	6,545,691
Foreign	Embotelladora del Atlántico S.A.	Argentina	Foreign	Banco Nuevo Santa Fe	Argentina	Argentine peso	At maturity	10.25%	10.25%	-	-	-	5,032
Foreign	Rio de Janeiro Refrescos Ltda.	Brazil	Foreign	Banco Votorantim	Brazil	Real	Monthly	9,40%	9.40%	28,430	158,904	**187,334**	197,880
Foreign	Rio de Janeiro Refrescos Ltda.	Brazil	Foreign	Banco alfa	Brazil	Real	Monthly	11.07%	11.07%	-	-	-	49,310
91.144.000-8	Embotelladora Andina S.A.	Chile	97.004.000-5	Banco BBVA	Chile	Chilean peso	At maturity	6.50%	6.50%	1,827,000	-	**1,827,000**	-
91.144.000-8	Embotelladora Andina S.A.	Chile	97.004.000-5	Banco BBVA	Chile	Chilean peso	At maturity	8.88%	8.88%	397,928	-	**397,928**	-
91.144.000-8	Embotelladora Andina S.A.	Chile	97.004.000-5	Banco de Chile	Chile	Chilean peso	At maturity	4.50%	4.50%	-	-	-	134,000
Total												8,689,670	6,941,133

15.1.2 Bank loans, non current

Indebted Entity			Creditor Entity							Maturity			Total	
Tax ID,	Name	Country	Tax ID,	Name	Country	Currency	Amortization Year	Effective Rate	Nominal Rate	1 year up to 3 years	3 years up to 5 years	More than 5 years	al 12.31.2011 ThCh$	al 12.31.2010 ThCh$
Foreign	Rio de Janeiro Refrescos Ltda.	Brazil	Foreign	Banco Votorantim	Brazil	Real	Monthly	9.40%	9.40%	159,105	145,756	92,717	**397,578**	593,726
Foreign	Embotelladora del Atlántico S.A.	Argentina	Foreign	Banco Nación Bicentenario (1)	Argentina	Argentine peso	At maturity	14.80%	9.90%	1,222,020	3,462,388	-	**4,684,408**	-
Total													5,081,986	593,726

(1) The Bicentennial loan granted at a prime rate by Banco de la Nacion Argentina to Embotelladora del Atlantico S.A. is a benefit from the Argentine government to encourage investment projects. Embotelladora del Atlantico S.A. registered investment projects and received this loan at a prime rate of 9.9% annually. The loan has been appraised at the fair value, i.e. using the market rate of 14.8% per annum. The interest differential of ThCh$639,844 between both rates is shown after deducting the associated fixed asset and recognition in income is deferred in line with depreciation of the same asset.

15.2.1 Bonds payable

	Current		Non-current		Total	
Composition of bonds payable	12.31.2011 ThCh$	12.31.2010 ThCh$	12.31.2011 ThCh$	12.31.2010 ThCh$	12.31.2011 ThCh$	12.31.2010 ThCh$
Bonds (face rate interest)	**3,674,408**	3,359,692	**71,877,478**	72,324,782	**75,551,886**	75,684,474
Expenses of bond issuance and discounts on placement	**(247,486)**	(238,955)	**(2,318,061)**	(2,469,049)	**(2,565,547)**	(2,708,004)
Net balance presented in statement of financial position	3,426,922	3,120,737	69,559,417	69,855,733	72,986,339	72,976,470

15.2.2 Current and non-current balances

The bonds correspond to Series B UF bonds issued on the Chilean market. These instruments are further described below:

								Par value	
Bond registration or identification number	Serie	Face amount	Unit of adjustment	Interest rate	Final maturity	Interest payment	Next amortization of capital	12.31.2011 ThCh$	12.31.2010 ThCh$
Bonds, current portion									
SVS Registration No, 254, 6/13/2001	B	3,370,913	UF	6,5	06.01.2026	Semestral	12.01.2012	**3,674,408**	3,359,692
Total current portion								3,674,408	3,359,692
Bonds, non-current portion									
SVS Registration No, 254, 6/13/2001	B	3,370,913	UF	6,5	06.01.2026	Semestral	12.01.2013	**71,877,478**	72,324,782
Total, non-current portion								71,877,478	72,324,782

Accrued interest included in the current portion of bonds totaled ThCh$400.661 and ThCh$421,282 at December 31, 2011 and 2010, respectively.

15.2.3 Non-current maturities

		Year of maturity					Total non-current
	Series	2013 ThCh$	2014 ThCh$	2015 ThCh$	2016 ThCh$	Después ThCh$	12.31.2011 ThCh$
SVS Registration 254, 6/13/2001	B	3,486,539	3,713,164	3,954,523	4,211,566	56,511,686	**71,877,478**

15.2.4 Market rating

The bonds issued on the Chilean market had the following rating at December 31, 2011:

AA + : Rating assigned by Fitch Chile

AA + : Rating assigned by Feller & Rate

15.2.5 Restrictions

The following restrictions apply to the issuance and placement of the Company's bonds on the Chilean market in 2001 for a total of UF 3,700,000. Of that amount, UF 3,370,912.55 is outstanding:

- Embotelladora Andina S.A. must maintain a debt level in which consolidated financial liabilities do not exceed 1.20 times the consolidated Equity. 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 Equity plus non-controlling interests will be considered consolidated Equity.
- Consolidated assets must be kept free of any pledge, mortgage or lien for an amount at least equal to 1.30 times the consolidated unsecured current liabilities of the issuer.
- The franchise of The Coca-Cola Company in Chile, called Metropolitan Region, must be maintained and in no way forfeited, sold, assigned or transferred to a third party. This franchise is for the elaboration, production, sale and distribution of Coca-Cola products and brands according to the bottlers' agreement or periodically renewable licenses.

- The territory now under franchise to the Company by The Coca-Cola Company in Argentina or Brazil, which is used for the preparation, production, sale and distribution of Coca-Cola products and brands, must not be forfeited, sold, assigned or transferred to a third party, provided such territory represents more than 40% of the adjusted consolidated operating flow of the Company.

The Company was in compliance with all financial covenants at December 31, 2011 and 2010.

15.2.6 Repurchased bonds

In addition to UF bonds, the Company holds bonds issued by itself that it has repurchased in full through companies that are integrated in the consolidation:

Through its subsidiaries, Abisa Corp S.A. (formerly Pacific Sterling), Embotelladora Andina S.A. repurchased its Yankee Bonds issued on the U.S. Market during the years 2000, 2001, 2002, 2007 and 2008. The entire placement amounted to US$350 million, of which US$200 million are outstanding and are presented after deducting the long-term liability from the other financial liabilities item.

Rio de Janeiro Refrescos Ltda. holds a liability corresponding to a US$75 million bond issue expiring in December 2012, with semi-annual interest payments. At December 31, 2011 and 2010, those bonds were held in full by Abisa Corp S.A., (formerly Pacific Sterling). Consequently, the assets and liabilities relating to that transaction have been eliminated from these consolidated financial statements. Furthermore, that transaction has been treated as an investment by the group in the Brazilian subsidiary, so the effects of foreign exchange differences between the dollar and the functional currency of each of the entities have been charged to other comprehensive income.

15.2.7 Liability for Banking fees (CPMF)

These amounts are liabilities for banking fees on bonds owed by our subsidiary, Rio de Janeiro Refrescos Ltda.:

Item	12.31.2011 ThCh$	12.31.2010 ThCh$
Current	-	1,934,529
Total	-	**1,934,529**

15.2.8 Forward contract obligations

Please see the explanation in Note 20.

NOTE 16 – TRADE AND OTHER CURRENT ACCOUNTS PAYABLE

Trade and other current accounts payable are detailed as follows:

Item	12.31.2011 ThCh$	12.31.2010 ThCh$
Trade accounts payable	112,963,542	94,824,152
Withholdings	14,977,133	10,434,297
Others	97	23,886
Total	**127,940,772**	**105,282,335**

NOTE 17 – PROVISIONS

17.1 Balances

The balances of provisions recorded by the Company, at December 31, 2011 and 2010 are detailed as follows:

Description	12.31.2011 ThCh$	12.31.2010 ThCh$
Litigation (1)	7,970,835	4,328,367
Total	7,970,835	**4,328,367**
Current	87,966	60,748
Non-current	7,882,869	4,267,619
Total	**7,970,835**	**4,328,367**

(1) These provisions correspond mainly to provisions for probable losses due to fiscal, labor and trade contingencies based on the opinion of management after consultation with its legal counsel.

17.2 Movements

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

	12.31.2011			12.31.2010		
Description	Litigation ThCh$	Others ThCh$	Total ThCh$	Litigation ThCh$	Others ThCh$	Total ThCh$
Initial Balance at January 1	4,328,367	-	4,328,367	4,461,153	34,833	4,495,986
Additional provisions	-	-	-	875,703	-	875,703
Increase (decrease) in existing Provisions	4,370,851	-	4,370,851	381,875	-	381,875
Provision used (payment made) on account of the provision)	(702,552)	-	(702,552)	(1,146,574)	(34,833)	(1,181,407)
Increase (decrease) foreign exchange rate difference	(25,831)	-	(25,831)	(243,790)	-	(243,790)
Final Balance	**7,970,835**	**-**	**7,970,835**	**4,328,367**	**-**	**4,328,367**

NOTE 18 – OTHER CURRENT AND NON-CURRENT NON-FINANCIAL LIABILITIES

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

Description	12.31.2011 ThCh$	12.31.2010 ThCh$
Minimum dividend liability (30%)	8,766,572	10,723,669
Dividend payable	6,876,934	6,925,621
Deposits in guarantee	10,813,092	8,002,105
Employee remuneration payable	6,354,817	6,635,679
Accrued vacations	7,723,738	6,635,265
Other	1,056,160	363,190
Total	41,591,313	39,285,529

Description	12.31.2011 ThCh$	12.31.2010 ThCh$
Current	41,154,571	38,964,853
Non-current	436,742	320,676
Total	41,591,313	39,285,529

NOTE 19 – EQUITY

19.1 Paid-in Capital

The paid-in capital of the Company totaled ThCh$230,892,178 as of December 31, 2011, divided into 760,274,542 Series A and B shares. The distribution and differentiation of these is detailed as follows:

19.1.1 Number of shares:

Series	Number of shares subscribed	Number of shares paid in	Number of voting shares
A	380,137,271	380,137,271	380,137,271
B	380,137,271	380,137,271	380,137,271

19.1.2 Capital:

Series	Subscribed capital ThCh$	Paid-in capital ThCh$
A	115,446,089	115,446,089
B	115,446,089	115,446,089
Total	230,892,178	230,892,178

19.1.3 Rights of each series:

- Series A: Election of 6 of the 7 directors and their respective alternates.
- Series B: Receipt of 10% more of dividends than what is received by holders of Series A shares, and election of 1 of 7 directors and the respective alternate.

19.2 Dividend policy

According to Chilean law, cash dividends must be paid equal to at least 30% of annual net profits, barring a unanimous vote by shareholders to the contrary. If there is no net profit in a given year, the Company will not be legally obligated to pay dividends from retained earnings. At the April, 2011 Annual Shareholders Meeting, the shareholders authorized the Board of Directors to pay interim dividends during July and October 2011 and January 2012, at its discretion.

During 2011, the Shareholders' Meeting approved an extraordinary dividend payment against the retained earnings fund. It is not guaranteed that those payments will be repeated in the future.

Regarding Circular Letter N°1945 of the Chilean Superintendency of Securities and Insurance, the Company does not present any adjustments to be made in order to determine distributable net earnings to comply with minimum legal amounts.

Pursuant to Circular Letter N° 1,945 of the Chilean Superintendency of Securities and Insurance dated September 29, 2009, the Company's Board of Directors decided to maintain the initial adjustments of adopting IFRS as retained earnings for future distribution.

Retained earnings at the date of IFRS adoption amounted to ThCh$19,260,703, of which ThCh$3.621.923 have been realized at December 31, 2011 and are available for distribution as dividends in accordance with the following:

Concept	Event realized	Amount of accumulated earnings at 01.01.2009 ThCh$	Realized at 12.31.2011 ThCh$	Amount of accumulated earnings at 12.31.2011 ThCh$
Revaluation of assets	Sale or deterioration	12,538,123	(2,984,075)	9,554,048
Foreign currency translation differences of investments in related companies	Sale or deterioration	6,393,518	-	6,393,518
Full absorption cost accounting	Sale of products	813,885	(813,885)	-
Post-employment benefits actuarial calculation	Termination of employees	929,560	(395,016)	534,544
Deferred taxes supplementary accounts	Depreciation	(1,414,383)	571,053	(843,330)
Total		19,260,703	(3,621,923)	15,638,780

The dividends declared and paid during 2011 and 2010 are presented below:

Dividend payment date		Dividend type	Profits imputable to dividends	Ch$ per Series A Share	Ch$ per Series B Share
2011	January	Interim	2010	8.50	9.35
2011	May	Final	2010	13.44	14.784
2011	July	Additional	Retained Earnings	50.00	55.00
2011	July	Interim	2011	8.50	9.35
2011	October	Interim	2011	8.50	9.35
2010	January	Interim	2009	7.00	7.70
2010	April	Final	2009	11.70	12.87
2010	May	Additional	Retained Earnings	50.00	55.00
2010	July	Interim	2010	8.50	9.35
2010	October	Interim	2010	8.50	9.35

19.3 Reserves

19.3.1 Legal and statutory reserves

In accordance with Official Circular No. 456 issued by the Chilean Superintendence of Securities and Insurance, the legally required price-level restatement of paid-in capital for 2009 is presented as part of other Equity reserves and was accounted for as a capitalization from Other Reserves with no impact on net income or retained earnings under IFRS. This amount totaled ThCh$5,435,538 at December 31, 2009.

19.3.2 Foreign currency translation reserves

This corresponds to the conversion of the financial statements of foreign subsidiaries whose functional currency is different from the presentation currency of the consolidated financial statements. Foreign currency translation differences between the receivable held by Abisa Corp S.A. and owed by Rio de Janeiro Refrescos Ltda. are also shown in this account, which has been treated as an investment in Equity Investees (associates and joint ventures). Foreign currency translation reserves are detailed as follows:

Description	12.31.2011 ThCh$	12.31.2010 ThCh$
Rio de Janeiro Refrescos Ltda.	(1,274,857)	1,324,710
Embotelladora del Atlántico S.A.	(19,072,195)	(19,706,911)
Foreign currency translation differences Abisa Corp.- Rio de Janeiro Refrescos Ltda.	(2,112,827)	(3,200,224)
Total	(22,459,879)	(21,582,425)

The movement of this reserve for the fiscal years ended December 31, 2011 and 2010 as follows:

Description	12.31.2011 ThCh$	12.31.2010 ThCh$
Rio de Janeiro Refrescos Ltda.	(2,599,567)	(5,171,036)
Embotelladora del Atlántico S.A.	634,716	(4,278,804)
Foreign exchange Rate Differences Abisa Corp. - Rio de Janeiro Refrescos Ltda.	1,087,397	(1,845,427)
Total	(877,454)	(11,295,267)

19.4 Non-controlling interests

This is the recognition of the portion of Equity and income from subsidiaries that are owned by third parties, The detail of this account at December 31, 2011 is detailed as follows:

	Non-controlling Interests		
Detalle	Percentage %	Shareholders' Equity ThCh$	Income ThCh$
Embotelladora del Atlántico S.A.	0.0209	8,981	3,015
Andina Inversiones Societarias S.A.	0.0001	34	4
Total		9,015	3,019

19.5 Earnings per share

The basic earnings per share presented in the statement of comprehensive income are calculated as the quotient between income for the year and the average number of shares outstanding during the same period.

The earnings per share used to calculate basic and diluted earnings per share at December 31, 2011 and 2010 respectively is detailed as follows:

	12.31.2011		
Earnings per share	SERIES A	SERIES B	TOTAL
Earnings attributable to shareholders (ThCh$)	46,203,022	50,821,383	97,024,405
Average weighted number of shares	380,137,271	380,137,271	760,274,542
Earnings per basic and diluted share (in pesos)	121,54	133,69	127,62

	12.31.2010		
Earnings per share	SERIES A	SERIES B	TOTAL
Earnings attributable to shareholders (ThCh$)	49,333,069	54,264,303	103,597,372
Average weighted number of shares	380,137,271	380,137,271	760,274,542
Earnings per basic and diluted share (in pesos)	129.78	142.75	136.26

NOTE 20 – DERIVATIVE ASSETS AND LIABILITIES

The company held the following derivative liabilities at December 31, 2011 and 2010:

20.1 Currency forwards for highly probable expected transactions:

During 2010, the Company made agreements to hedge the exchange rate in the purchases of fixed assets in a foreign currency during 2011. Those agreements were appraised at the fair value, resulting in a net profit of ThCh$134,572 for 2011 (net loss of ThCh$913,378 at December 31, 2010). No such agreements were outstanding at December 31, 2011 (there was a derivative liability outstanding for ThCh$431,236 at December 31, 2010). Since these agreements did not meet the documentation requirements of IFRS to be considered hedges, they were accounted for as investment contracts and the effects recorded directly in income.

In 2011 and 2010, the Company made agreements to hedge the exchange rate in the purchases of raw materials and future flows in 2011 and 2012. The outstanding agreements totaled ThUS$42,500 at December 31, 2011. They were appraised at the fair value, which resulted in a net profit of ThCh$1,347,277 for 2011 (a net loss of ThCh$485,983 at December 31, 2010). Liabilities of ThCh$163,718 were recognized at December 31, 2011 and of ThCh$485,983 at December 31, 2010. The agreements oustanding at December 31, 2011 also required leaving financial instruments as collateral against performance, which totaled ThCh$2,372,559 on the closing date. Since these agreements did not meet the documentation requirements of IFRS to be considered hedges, they were accounted for as investment contracts and the effects recorded directly in income.

20.2 Foreign currency forward of items recognized in the accounting:

At December 31, 2010, the Company had sugar sales contracts with the London Exchange to hedge a variable price in the supply of sugar during 2010. These contracts expired during 2010, and were accounted for at fair value. At December 31, 2010 these contracts generated net earnings amounting to ThCh$2,121,469. Since these contracts do not meet the documentation requirements of IFRS to be treated as hedging, they have been treated as investment contracts and the effects have been charged directly to income.

Fair value hierarchy

The Company had a total liabilities related to its foreign exchange forward contracts of ThCh$163,718, which are classified within the other current non-financial liabilities and are carried at fair value on the statement of financial position. The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: Assumptions different to quoted prices included in level 1 and that are applicable to assets and liabilities, be it directly (as Price) or indirectly (i.e. derived from a Price)

Level 3: Assumptions for assets and liabilities that are not based on information observed directly in the market.

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

Fair Value Measurements at December 31, 2011

	Quoted prices in actives markets for Identical Assets (Level 1) ThCh$	Significant other observable inputs (Level 2) ThCh$	Significant unobservable Inputs (Level 3) ThCh$	Total ThCh$
LIABILITIES:				
Current liabilities				
Other financial current lialibitiess	-	163,718	-	163,718
Total liabilities	**-**	**163,718**	**-**	**163,718**

NOTE 21 – CONTINGENCIES AND COMMITMENTS

21.1 Lawsuits and other legal actions:

The Parent Company and its Subsidiaries face litigation or potential litigation, in and out of court, that might result in material or significant losses or gains, in the opinion of the Company's legal counsel, detailed as follows:

1) Embotelladora del Atlántico S.A. is a party to labor and other lawsuits: Accounting provisions have been made for the contingency of a probable loss because of these lawsuits, totaling ThCh$1,042,324. Management considers it unlikely that non-provisioned contingencies will affect the Company's income and Equity, based on the opinion of its legal counsel.

2) Rio de Janeiro Refrescos Ltda. is involved in labor, tax and other lawsuits. The accounting provisions to cover contingencies of a probable loss in these lawsuits total ThCh$6,870,999. Management considers it unlikely that non-provisioned contingencies will affect income and Equity of the Company, based on the opinion of its legal counsel.

3) Embotelladora Andina S. A. is involved in tax, commercial, labor and other lawsuits. The accounting provisions to cover contingencies for probable losses because of these lawsuits total ThCh$57,512. Management considers it unlikely that non-provisioned contingencies will affect income and Equity of the company, in the opinion of its legal advisors.

On April 28, 2011the Company was legally informed of an Anti-competition lawsuit filed by the Chilean Fiscalía Nacional Económica ("Chilean National Economic Prosecutor", the FNE) before the Tribunal de Defensa de la Libre Competencia ("Chilean Anti-Competition Court", the TDLC) against Embotelladora Andina S.A. and Coca-Cola Embonor S.A. This lawsuit indicates that said companies would have violated the regulation of free competition by establishing a system of granting incentives in the traditional distribution channel since with the purpose that these points of sale do not advertise, exhibit and/or commercialize, in any manner, the so called B-brands or alternative soft drink beverages.

This lawsuit ended on November 22, 2011, by approval of the Anti-competition Court of the terms of reconciliation proposed November 15, 2011 by the National Economic Prosecutor, Embotelladora Latinoamericana S.A., Embotelladora Castel Ltda., Industrial y Comercial Lampa S.A., Sociedad Comercial Antillanca Ltda., Coca-Cola Embonor S.A. and Embotelladora Andina S.A.

As a result of this agreement, Embotelladora Andina S.A. assumed certain commitments that included allowing 20% of space to be available in refrigerators provided by Embotelladora Andina S.A. at certain points of sale in the traditional channel where there are no other refrigerators, for a period of five years.

The reconciliation agreement did not impose fines nor constitute an acknowledgement of liability in the Anti-competition offenses.

21.2 Direct guarantees and restricted assets:

Guarantees and restricted assets as of December 31, 2011 and 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	Carrying amount	Type	Carrying amount ThCh$	2011 ThCh$	2010 ThCh$	2012 ThCh$	2014 ThCh$
Aduana de EZEIZA	Embotelladora del Atlántico S.A.	Subsidiary	Guarantee insurance policy	Export	21,894	-	-	-	-
Aduana de EZEIZA	Embotelladora del Atlántico S.A.	Subsidiary	Guarantee insurance policy	Import	6,657	-	-	-	-
Aduana de EZEIZA	Embotelladora del Atlántico S.A.	Subsidiary	Guarantee insurance policy	Substitution for collateral	483				
Estado Rio de Janeiro	Rio de Janeiro Refrescos Ltda.	Subsidiary	Judicial pledge	Real state	11,693,243	11,240,243	11,406,583	-	-
Poder Judiciario	Rio de Janeiro Refrescos Ltda.	Subsidiary	Judicial deposit	Long term assets	19,989,604	-	-	-	-
Serviu Región Metropolitana	Embotelladora Andina S.A.	Parent Company	Guarantee receipt	Guarantee receipt	-	2,907	2,778	-	-
Hospital San Jose	Embotelladora Andina S.A.	Parent Company	Guarantee receipt	Guarantee receipt	-	512	-	512	-
Director Regional De Validad Metropolitana	Embotelladora Andina S.A.	Parent Company	Guarantee receipt	Guarantee receipt	-	1,116	-	1,116	-
Tesorero Municipal de Renca	Embotelladora Andina S.A.	Parent Company	Guarantee receipt	Guarantee receipt	-	89,306		89,306	-
Linde Gas Chile S.A.	Embotelladora Andina S.A.	Parent Company	Guarantee receipt	Guarantee receipt	-	155,760		-	155,760
AGA	Embotelladora Andina S.A.	Parent Company	Guarantee receipt	Contract	-	-	145,569	-	-
Rofex	Embotelladora del Atlántico S.A.	Subsidiary	Financial instruments	Derivative transactions	2,372,559	163,718	-	-	-

NOTE 22 – FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's businesses are exposed to diverse financial risks: market risk (including foreign exchange rate risk, fair value interest rate risk and price risk). The Group's global risk management program concentrates on the uncertainty of financial markets and tries to minimize potentially adverse effects on the financial returns of the Group. The Group uses derivatives to hedge certain risks. Below is a description of the primary policies established by the Group to manage financial risks.

Interest rate risk

As of December 31, 2011, the Company carried all of its debt at a fixed rate. Consequently, the risk of fluctuations in market interest rates as compared to the Company's cash flows is low.

Foreign currency risk

Sales revenues earned by the Company are linked to the local currencies of countries in which it does business, the detail of which is detailed as follows:

Chilean peso	Brazilian real	Argentine peso
31%	45%	24%

Since the Company's income is not tied to the US dollar, the policy of managing that risk, meaning the gap between assets and liabilities denominated in that currency, has been to hold financial investments in dollar–denominated instruments for at least the equivalent of the liabilities denominated in that currency.

Additionally and depending on market conditions, the Company's policy is also to make foreign currency hedge contracts to reduce the foreign exchange rate impact on cash outflows expressed in US dollars, corresponding mainly to payments made to raw material suppliers. In accordance with the percentage of raw material purchases that are indexed to the US dollar, if the currencies were to devalue by 5% in the three countries where the Company operates, it would generate a decrease cummulative at December 31, 2011 in income of ThCh$5,367,802

The exposure to conversion differences of subsidiaries abroad (Brazil and Argentina), because of the difference between monetary assets and liabilities, i.e., those denominated in a local currency and consequently exposed to foreign currency translation risk from translation from their functional currency to the presentation currency of the consolidated statements, is only hedged when it is predicted that material adverse differences could occur and when the cost associated with such hedging is deemed reasonable by the management. For the period January through December 2011, the Brazilian real and Argentine peso recorded average devaluations of 0.18% and 10.19%, respectively, regarding the presentation currency of the same period in 2010. If the Brazilian real and the Argentine peso regarding the presentation currency would have devalued 3.0% and 12.0% respectively, the income account would have recorded lower earnings in the amount of ThCh$1,352,195. On the other hand, at equity level, this same scenario would cause the rest of the conversion of assets and liabilities accounts to decrease equity by ThCh$1,830,574.

Commodities risk

The Company faces a risk of price fluctuations in the international markets for sugar, aluminum and PET resin, which are inputs required to produce beverages and, as a whole, account for 35% to 40% of operating costs. Procurement and anticipated purchase contracts are made frequently to minimize and/or stabilize this risk when market conditions warrant. Commodity hedges have also been used. The possible effects that exist in the present consolidated integral statements of a 5% eventual rise in prices of its main raw materials, would be an approximate reduction in our accumulated results as of December 31, 2011 of around ThCh$7,795,246. In order to minimize and/or stabilize this risk, we frequently enter into anticipated purchase and supply agreements when market conditions are favorable. We have also used commodity hedge agreements.

NOTE 23 – OTHER OPERATING INCOME

Other operating income is detailed as follows:

Description	01.01.2011 12.31.2011 ThCh$	01.01.2010 12.31.2010 ThCh$
Gain on disposal of property, plant and equipment	673,669	548,111
Adjustment judicial deposit (Brazil)	784,856	450,299
Guaxupé tax credits	1,313,212	-
Other	137,708	119,469
Total	2,909,445	1,117,879

NOTE 24 – OTHER MISCELLANEOUS OPERATING EXPENSES

Other miscellaneous operating expenses are detailed as follows:

Description	01.01.2011 12.31.2011 ThCh$	01.01.2010 12.31.2010 ThCh$
Tax on bank debits	3,074,333	2,966,852
Write-off of property, plant and equipment	2,452,231	-
Contingencies	4,370,851	1,257,579
Professional service fees	1,101,482	1,656,515
Loss on the sale of property, plant and equipment	415,823	470,459
Donations	-	862,307
Others	500,283	562,112
Total	11,915,003	7,775,824

NOTE 25 – FINANCE INCOME AND COSTS

Finance income and costs are detailed as follows:

a) Finance income

Description	01.01.2011 12.31.2011 ThCh$	01.01.2010 12.31.2010 ThCh$
Interest income	2,846,728	2,451,808
Other interest income	335,706	924,330
Total	3,182,434	3,376,138

b) Finance costs

Description	01.01.2011 12.31.2011 ThCh$	01.01.2010 12.31.2010 ThCh$
Bond interest	5,092,403	5,022,931
Bank loan interest	1,098,757	1,079,806
Other interest costs	1,044,016	1,299,094
Total	7,235,176	7,401,831

NOTE 26 – OTHER INCOME/ EXPENSES AND ADJUSTMENTS

Other gains and losses are detailed as follows:

Description	01.01.2011 12.31.2011 ThCh$	01.01.2010 12.31.2010 ThCh$
Profit on the sale of shares in Vital S.A.	653,214	-
Extraordinary expenses at new Renca Plant	(304,629)	(416,618)
Insurance deductible and donations due to earthquake	-	(620,512)
Other income and outlays	(335,516)	(169,619)
Total	13,069	(1,206,749)

NOTE 27 – EXCHANGE RATE DIFFERENCE

Exchange rate differences are detailed as follows:

Description	01.01.2011 12.31.2011 ThCh$	01.01.2010 12.31.2010 ThCh$
Derivatives transactions	1,481,849	722,108
Exchange differentials in holding assets and liabilities in a foreign currency	2,731	(222,168)
Total	1,484,580	499,940

NOTE 28 – THE ENVIRONMENT

The Company has made disbursements totaling ThCh$3,198,110 for improvements in industrial processes, equipment to measure industrial waste flows, laboratory analyses, consulting on environmental impacts and other studies.

These disbursements by country are detailed as follows:

	Year 2011		Future commitments	
Country	Recorded as expenses ThCh$	Capitalized to property, plant and equipment ThCh$	Recorded as expenses ThCh$	Capitalized to property, plant and equipment ThCh$
Chile	106,980	110,582	1,260	121,195
Argentina	512,814	6,402	977,802	532,893
Brazil	1,789,748	671,584	1,450,428	1,701,988
Total	2,409,542	788,568	2,429,490	2,356,076

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.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

ERNST & YOUNG
Quality In Everything We Do

To the Shareholders and the Board of Directors of

Embotelladora Andina S.A.:

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

We conducted our audits in accordance with 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, 2011 and 2010, and the results of its transactions and its cash flows for the year ended December 31, 2011 and 2010 according to International Financial Reporting Standards.

Rafael Contreras V. — ERNST & YOUNG LTDA.

Santiago, Chile, January 31, 2012

Summarized Financial Statements - Subsidiaries

	Embotelladora Andina Chile S.A.	
	2011 ThCh$	2010 ThCh$
BALANCE SHEET		
Assets		
Current assets	12,189,939	4,365,554
Non-current assets	80,541,573	22,671,340
Total assets	**92,731,512**	**27,036,894**
Liabilities		
Current liabilities	83,874,707	27,379,999
Non-current liabilities	1,358,898	-
Capital and reserves	13,715,962	10,000
Accumulated earnings (losses)	(6,218,055)	(353,105)
Total liabilities and shareholders' equity	**92,731,512**	**27,036,894**
INCOME STATEMENT		
Operating Income		
Operating income	157,575	(68)
Non-operating income	(5,884,495)	(376,285)
Income before income taxes	(5,726,920)	(376,353)
Income taxes	(491,135)	23,248
Net income (loss)	**(6,218,055)**	**(353,105)**
STATEMENTS OF CASH FLOWS		
Cash flows from operating activities	(7,572)	(8,808)
Cash flows from investment activities	(50,113,329)	(26,352,622)
Cash flows from financing activities	50,121,908	26,351,878
Effect of inflation in cash and cash equivalents	-	
Cash and cash equivalents at the beginning of the period	448	10,000
Cash and cash equivalents at the end of the period	**1,455**	**448**

SUMMARIZED FINANCIAL STATEMENTS - SUBSIDIARIES
At December 31, 2011 and 2010

	Vital S.A.	
	2011 ThCh$	2010 ThCh$
BALANCE SHEET		
Assets		
Current assets	-	5,792,674
Non-current assets	-	14,929,428
Total assets	**-**	**20,722,102**
Liabilities		
Current liabilities	-	6,470,617
Non-current liabilities	-	1,137,217
Capital and reserves	-	11,816,576
Accumulated earnings (losses)	-	1,297,692
Total liabilities and shareholders' equity	**-**	**20,722,102**
INCOME STATEMENT		
Operating Income		
Operating income	-	1,700,485
Non-operating income	-	(78,145)
Income before income taxes	-	1,622,340
Income taxes	-	(324,648)
Net income (loss)	**-**	**1,297,692**
STATEMENTS OF CASH FLOWS		
Cash flows from operating activities	-	2,498,447
Cash flows from investment activities	-	1,836,752
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
Cash and cash equivalents at the end of the period	**-**	**1,485,713**

SUMMARIZED FINANCIAL STATEMENTS - SUBSIDIARIES

At December 31, 2011 and 2010

	Transportes Andina Refrescos Ltda.	
	2011 ThCh$	2010 ThCh$
BALANCE SHEET		
Assets		
Current assets	4,210,744	3,008,300
Non-current assets	11,563,021	12,017,863
Total assets	15,773,765	15,026,163
Liabilities		
Current liabilities	13,632,593	11,792,299
Non-current liabilities	1,065,795	878,541
Capital and reserves	(4,164,425)	(4,513,125)
Accumulated earnings (losses)	5,239,802	6,868,448
Total liabilities and shareholders' equity	15,773,765	15,026,163
INCOME STATEMENT		
Operating Income		
Operating income	6,157,214	8,244,253
Non-operating income	397,071	31,579
Income before income taxes	6,554,285	8,275,832
Income taxes	(1,314,483)	(1,407,384)
Net income (loss)	5,239,802	6,868,448
STATEMENTS OF CASH FLOWS		
Cash flows from operating activities	1,051,656	2,291,049
Cash flows from investment activities	(870,708)	(788,673)
Cash flows from financing activities	(229,064)	(1,445,426)
Effect of inflation in cash and cash equivalents	-	-
Cash and cash equivalents at the beginning of the period	95,338	38,388
Cash and cash equivalents at the end of the period	47,222	95,338

	Servicios Multivending Ltda.	
	2011 ThCh$	2010 ThCh$
BALANCE SHEET		
Assets		
Current assets	947,229	984,083
Non-current assets	1,456,693	1,110,105
Total assets	2,403,922	2,094,188
LIABILITIES		
Current liabilities	535,753	375,634
Non-current liabilities	181,748	175,471
Capital and reserves	1,543,083	1,601,828
Accumulated earnings (losses)	143,338	(58,745)
Total liabilities and shareholders' equity	2,403,922	2,094,188
INCOME STATEMENT		
Operating Income		
Operating income	85,500	(77,540)
Non-operating income	73,464	51,298
Income before income taxes	158,964	(26,242)
Income taxes	(15,626)	(32,503)
Net income (loss)	143,338	(58,745)
STATEMENTS OF CASH FLOWS		
Cash flows from operating activities	2,471,695	460,477
Cash flows from investment activities	(2,528,006)	(517,295)
Cash flows from financing activities	40,931	-
Effect of inflation in cash and cash equivalents	(4,188)	-
Cash and cash equivalents at the beginning of the period	74,008	130,826
Cash and cash equivalents at the end of the period	54,440	74,008

	Andina Bottling Investments S.A.	
	2011 ThCh$	2010 ThCh$
BALANCE SHEET		
Assets		
Current assets	12,453,316	66,421
Non-current assets	244,396,752	213,535,201
Total assets	256,850,068	213,601,622
LIABILITIES		
Current liabilities	1,558,213	1,232,315
Non-current liabilities	-	-
Capital and reserves	216,970,511	195,718,938
Accumulated earnings (losses)	38,321,344	16,650,369
Total liabilities and shareholders' equity	256,850,068	213,601,622
INCOME STATEMENT		
Operating Income		
Operating income	(308,123)	(301,745)
Non-operating income	38,696,668	16,952,114
Income before income taxes	38,388,545	16,650,369
Income taxes	(67,201)	-
Net income (loss)	38,321,344	16,650,369
STATEMENTS OF CASH FLOWS		
Cash flows from operating activities	(307,414)	(296,718)
Cash flows from investment activities	64,022	1,680
Cash flows from financing activities	244,123	295,942
Effect of inflation in cash and cash equivalents	484	(2,303)
Cash and cash equivalents at the beginning of the period	16,960	18,359
Cash and cash equivalents at the end of the period	18,175	16,960

SUMMARIZED FINANCIAL STATEMENTS - SUBSIDIARIES
At December 31, 2011 and 2010

	Andina Bottling Investments Dos S.A.	
	2011 ThCh$	2010 ThCh$
BALANCE SHEET		
Assets		
Current assets	4,853,458	1,818,227
Non-current assets	167,196,316	159,096,032
Total assets	172,049,774	160,914,259
LIABILITIES		
Current liabilities	216,769	842,166
Non-current liabilities	-	-
Capital and reserves	134,026,407	114,172,333
Accumulated earnings (losses)	37,806,598	45,899,760
Total liabilities and shareholders' equity	172,049,774	160,914,259
INCOME STATEMENT		
Operating Income		
Operating income	(244,146)	(272,285)
Non-operating income	38,447,602	46,536,371
Income before income taxes	38,203,456	46,264,086
Income taxes	(396,858)	(364,326)
Net income (loss)	37,806,598	45,899,760
STATEMENTS OF CASH FLOWS		
Cash flows from operating activities	21,564,425	13,418,774
Cash flows from investment activities	-	-
Cash flows from financing activities	(21,577,126)	(13,418,952)
Effect of inflation in cash and cash equivalents	25,560	(21)
Cash and cash equivalents at the beginning of the period	3,712	3,911
Cash and cash equivalents at the end of the period	16,571	3,712

	Andina Inversiones Societarias S.A.	
	2011 ThCh$	2010 ThCh$
BALANCE SHEET		
Assets		
Current assets	3,382,696	2,301,659
Non-current assets	29,834,171	32,549,041
Total assets	33,216,867	34,850,700
LIABILITIES		
Current liabilities	66,453	5,307,290
Non-current liabilities	-	-
Capital and reserves	29,542,517	26,691,204
Accumulated earnings (losses)	3,607,897	2,852,206
Total liabilities and shareholders' equity	33,216,867	34,850,700
INCOME STATEMENT		
Operating Income		
Operating income	(3,725)	(5,065)
Non-operating income	3,589,111	2,893,945
Income before income taxes	3,585,386	2,888,880
Income taxes	22,511	(36,674)
Net income (loss)	3,607,897	2,852,206
STATEMENTS OF CASH FLOWS		
Cash flows from operating activities	2,120,610	6,685,416
Cash flows from investment activities	3,144,319	527
Cash flows from financing activities	(5,262,910)	(6,683,272)
Effect of inflation in cash and cash equivalents	(1,467)	-
Cash and cash equivalents at the beginning of the period	6,917	4,246
Cash and cash equivalents at the end of the period	7,469	6,917

	Rio de Janeiro Refrescos Ltda.	
	2011 ThCh$	2010 ThCh$
BALANCE SHEET		
Assets		
Current assets	84,528,836	80,513,470
Non-current assets	219,255,356	205,266,069
Total assets	303,784,192	285,779,539
LIABILITIES		
Current liabilities	60,664,754	57,613,519
Non-current liabilities	76,943,866	70,090,732
Capital and reserves	127,493,527	111,646,284
Accumulated earnings (losses)	38,682,045	46,429,004
Total liabilities and shareholders' equity	303,784,192	285,779,539
INCOME STATEMENT		
Operating Income		
Operating income	64,943,830	72,725,437
Non-operating income	(6,882,562)	(4,551,457)
Income before income taxes	58,061,268	68,173,980
Income taxes	(19,379,223)	(21,744,976)
Net income (loss)	38,682,045	46,429,004
STATEMENTS OF CASH FLOWS		
Cash flows from operating activities	50,498,674	42,397,218
Cash flows from investment activities	(28,945,134)	(48,057,591)
Cash flows from financing activities	(21,993,117)	411,261
Effect of inflation in cash and cash equivalents	(194,448)	122,948
Cash and cash equivalents at the beginning of the period	17,602,519	22,728,683
Cash and cash equivalents at the end of the period	16,968,494	17,602,519

	Embotelladora del Atlántico S.A.	
	2011 ThCh$	2010 ThCh$
BALANCE SHEET		
Assets		
Current assets	52,060,691	32,229,309
Non-current assets	72,117,042	52,249,237
Total assets	124,177,733	84,478,546
LIABILITIES		
Current liabilities	69,629,954	36,220,100
Non-current liabilities	11,526,088	8,499,033
Capital and reserves	28,581,455	26,877,901
Accumulated earnings (losses)	14,440,236	12,881,512
Total liabilities and shareholders' equity	124,177,733	84,478,546
INCOME STATEMENT		
Operating Income		
Operating income	26,318,016	23,824,656
Non-operating income	(4,111,565)	(3,979,886)
Income before income taxes	22,206,451	19,844,770
Income taxes	(7,766,215)	(6,963,258)
Net income (loss)	14,440,236	12,881,512
STATEMENTS OF CASH FLOWS		
Cash flows from operating activities	23,655,598	5,015,778
Cash flows from investment activities	(25,668,834)	(9,647,402)
Cash flows from financing activities	4,925,725	6,149,280
Effect of inflation in cash and cash equivalents	47,932	(38,639)
Cash and cash equivalents at the beginning of the period	2,092,598	613,581
Cash and cash equivalents at the end of the period	5,053,019	2,092,598

	Abisa Corp S.A.	
	2011 ThCh$	2010 ThCh$
BALANCE SHEET		
Assets		
Current assets	113,057,113	93,965,031
Non-current assets	88,787,992	80,034,029
Total assets	201,845,105	173,999,060
LIABILITIES		
Current liabilities	390,136	107,267
Non-current liabilities	-	-
Capital and reserves	177,854,036	169,792,745
Accumulated earnings (losses)	23,600,933	4,099,048
Total liabilities and shareholders' equity	201,845,105	173,999,060
INCOME STATEMENT		
Operating Income		
Operating income	(1,096,766)	(648,665)
Non-operating income	24,697,699	4,747,713
Income before income taxes	23,600,933	4,099,048
Income taxes		
Net income (loss)	23,600,933	4,099,048
STATEMENTS OF CASH FLOWS		
Cash flows from operating activities	11,219,447	11,594,375
Cash flows from investment activities	(9,632,848)	(19,706,059)
Cash flows from financing activities	-	-
Effect of inflation in cash and cash equivalents	(11,820)	(133,619)
Cash and cash equivalents at the beginning of the period	822,730	9,068,033
Cash and cash equivalents at the end of the period	2,397,509	822,730

logos certificaciones

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